2018 -- S 2197

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- 911 EMERGENCY TELEPHONE NUMBER ACT--PREPAID WIRELESS E-911 CHARGE ACT

Introduced By: Senators Algiere, and Lombardi

Date Introduced: February 01, 2018

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

SECTION 1. Section 39-21.1-14 of the General Laws in Chapter 39-21.1 entitled "911 Emergency Telephone Number Act" is hereby amended to read as follows:


(a) A monthly surcharge of one dollar ($1.00) is hereby levied upon each residence and business telephone line or trunk or path and data, telephony, Internet, Voice Over Internet Protocol (VoIP) wireline, line, trunk or path in the state including PBX trunks and centrex equivalent trunks and each line or trunk serving, and upon each user interface number or extension number or similarly identifiable line, trunk, or path to or from a digital network (such as, but not exclusive of, integrated services digital network (ISDN), Flexpath or comparable digital private branch exchange, or connecting to or from a customer-based or dedicated telephone switch site (such as, but not exclusive of, a private branch exchange (PBX)), or connecting to or from a customer-based or dedicated central office (such as, but not exclusive of, a centrex system but exclusive of trunks and lines provided to wireless communication companies) that can access to, connect with or interface with the Rhode Island E-911 Uniform Emergency Telephone System (RI E-911). The surcharge shall be billed by each telecommunication services provider at the inception of services and shall be payable to the telecommunication services provider by the subscriber of the services. A monthly surcharge of one dollar ($1.00) is hereby levied effective July 1, 2002, on each wireless instrument, device or
means including prepaid, cellular, telephony, Internet, Voice Over Internet Protocol (VoIP), satellite, computer, radio, communication, data or data only wireless lines or any other wireless instrument, device or means which has access to, connects with, or activates or interfaces or any combination thereof with the E 9-1-1 Uniform Emergency Telephone System. The surcharge shall be in addition to the surcharge collected under § 39-1-62 and shall be billed by each telecommunication services provider and shall be payable to the telecommunication services provider by the subscriber. Prepaid wireless telecommunications services shall not be included in this act, but shall be governed by chapter 21.2 of title 39. The E-911 Uniform Emergency Telephone System shall establish, by rule or regulation an appropriate funding mechanism to recover from the general body of ratepayers this surcharge. If the public utilities commission shall determine that the funds collected pursuant to this chapter and chapter 21.2 of title 39 exceed what is needed to operate the E-911 uniform emergency telephone system, it may authorize a reduction in the surcharge authorized by this section.

(b) The amount of the surcharge shall not be subject to the tax imposed under chapter 18 of title 44 nor be included within the telephone common carrier's gross earnings for the purpose of computing the tax under chapter 13 of title 44.

(c) Each telephone common carrier and each telecommunication services provider shall establish a special account to which it shall deposit on a monthly basis the amounts collected as a surcharge under this section.

(d) The money collected by each telecommunication services provider shall be transferred within sixty (60) days after its inception of wireline, wireless, prepaid, cellular, telephony, Voice Over Internet Protocol (VoIP), satellite, computer, Internet, or communications services in this state and every month thereafter, to the division of taxation, together with the accrued interest and shall be deposited in the general fund as a restricted receipt account and used solely for the operation of the E-911 uniform emergency telephone system; provided, however, that beginning July 1, 2015, ten (10) percent of such money collected shall be deposited in the Information Technology Investment Fund established pursuant to § 42-11-2.5. Any money not transferred in accordance with this paragraph shall be assessed interest at the rate set forth in § 44-1-7 from the date the money should have been transferred.

(e) Every billed subscriber-user shall be liable for any surcharge imposed under this section until it has been paid to the telephone common carrier or telecommunication services provider. Any surcharge shall be added to and may be stated separately in the billing by the telephone common carrier or telecommunication services provider and shall be collected by the telephone common carrier or telecommunication services provider.
(f) Each telephone common carrier and telecommunication services provider shall annually provide the E 9-1-1 uniform emergency telephone system division or any other agency that may replace it, with a list of amounts uncollected together with the names and addresses of its subscriber-users who can be determined by the telephone common carrier or telecommunication services provider to have not paid the surcharge.

(g) Included within, but not limited to, the purposes for which the money collected may be used are rent, lease, purchase, improve, construct, maintenance, repair, and utilities for the equipment and site or sites occupied by the E 9-1-1 uniform emergency telephone system; salaries, benefits, and other associated personnel costs; acquisition, upgrade or modification of PSAP equipment to be capable of receiving E 9-1-1 information, including necessary computer hardware, software, and data base provisioning, addressing, and non-recurring costs of establishing emergency services; network development, operation and maintenance; data-base development, operation, and maintenance; on-premise equipment maintenance and operation; training emergency service personnel regarding use of E 9-1-1; educating consumers regarding the operations, limitations, role and responsible use of E 9-1-1; reimbursement to telephone common carriers or telecommunication services providers of rates or recurring costs associated with any services, operation, administration or maintenance of E 9-1-1 services as approved by the division; reimbursement to telecommunication services providers or telephone common carriers of other costs associated with providing E 9-1-1 services, including the cost of the design, development, and implementation of equipment or software necessary to provide E 9-1-1 service information to PSAP's, as approved by the division.

(h) [Deleted by P.L. 2000, ch. 55, art. 28, § 1.]

(i) Nothing in this section shall be construed to constitute rate regulation of wireless communication services carriers, nor shall this section be construed to prohibit wireless communication services carriers from charging subscribers for any wireless service or feature.

(j) [Deleted by P.L. 2006, ch. 246, art. 4, § 1].

SECTION 2. Sections 39-21.2-4 and 39-21.2-5 of the General Laws in Chapter 39-21.2 entitled "Prepaid Wireless E911 Charge Act" are hereby amended to read as follows:


(a) Amount of charge. The prepaid wireless E911 charge is hereby levied at the rate of two and one-half percent (2.5%) per retail transaction or, on and after the effective date of an adjusted amount per retail transaction that is established under subsection (f) of this section, such adjusted amount. If the public utilities commission shall determine that the funds collected pursuant to this chapter and chapter 21.1 of title 39 exceed what is needed to operate the E-911
uniform emergency telephone system, it may authorize a reduction in the surcharge authorized by
this section.

(b) Collection of charge. The prepaid wireless E911 charge shall be collected by the
seller from the consumer with respect to each retail transaction occurring in this state. The
amount of the prepaid wireless E911 charge shall be either separately stated on an invoice,
receipt, or other similar document that is provided to the consumer by the seller, or otherwise
disclosed to the consumer.

c) Application of charge. For purposes of subsection (b) of this section, a retail
transaction that is effected in person by a consumer at a business location of the seller shall be
treated as occurring in this state if that business location is in this state, and any other retail
transaction shall be treated as occurring in this state if the retail transaction is treated as occurring
in this state for purposes of chapter 18 of title 44 of the general laws.

(d) Liability for charge. The prepaid wireless E911 charge is the liability of the consumer
and not of the seller or of any provider, except that the seller shall be liable to remit all prepaid
wireless E911 charges that the seller collects from consumers as provided in § 39-21.2-5,
including all such charges that the seller is deemed to collect where the amount of the charge has
not been separately stated on an invoice, receipt, or other similar document provided to the
consumer by the seller.

e) Exclusion of E911 charge from base of other taxes and fees. The amount of the
prepaid wireless E911 charge that is collected by a seller from a consumer, if such amount is
separately stated on an invoice, receipt, or other similar document provided to the consumer by
the seller, shall not be included in the base for measuring any tax, fee, surcharge, or other charge
that is imposed by this state, any political subdivision of this state, or any intergovernmental
agency, including, but not limited to, the tax imposed under chapter 18 of title 44 nor be included
within the telephone common carrier's gross earnings for the purpose of computing the tax under
chapter 13 of title 44.

(f) Re-setting of charge. The prepaid wireless E911 charge shall be proportionately
increased or reduced, as applicable, upon any change to the state E911 charge on postpaid
wireless telecommunications service under § 39-21.1-14 or subdivision 39-1-62(d)(2). The
adjusted amount shall be determined by dividing the sum of the surcharges imposed under § 39-
21.1-14 and subdivision 39-1-62(d)(2) by fifty dollars ($50.00). Such increase or reduction shall
be effective on the effective date of the change to the postpaid charge or, if later, the first day of
the first calendar month to occur at least sixty (60) days after the enactment of the change to the
postpaid charge. The division shall provide not less than thirty (30) days of advance notice of
such increase or reduction on the division’s website.

(g) Bundled transactions. When prepaid wireless telecommunications service is sold with one or more other products or services for a single, non-itemized price, then the percentage specified in subsection (a) of this section shall apply to the entire non-itemized prices unless the seller elects to apply such percentage (1) If the amount of prepaid wireless telecommunications service is disclosed to the consumer as a dollar amount, such dollar amount, or (2) If the retailer can identify the portion of the price that is attributable to the prepaid wireless telecommunications service, by reasonable and verifiable standards from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, non-tax purposes, such portion.

However, if a minimal amount of prepaid wireless telecommunications service is sold with a prepaid wireless device for a single, non-itemized price, then the seller may elect not to apply the percentage specified in subsection (a) of this section to such transaction. For purposes of this paragraph, an amount of service denominated as ten (10) minutes or less, or five dollars ($5.00) or less, is minimal.


(a) Time and manner of payment. Prepaid wireless E911 charges collected by sellers shall be remitted to the division at the times and in the manner provided by the streamlined sales and use tax as described in § 44-18.1-34. The division shall establish registration and payment procedures that substantially coincide with the registration and payment procedures that apply to the streamlined sales and use tax.

(b) Seller administrative deduction. A seller shall be permitted to deduct and retain one percent (1%) of prepaid wireless E911 charges that are collected by the seller from consumers.

(c) Audit and appeal procedures. The audit and appeal procedures applicable to sales and use tax under § 44-19-18 of the general laws shall apply to prepaid wireless E911 charges.

(d) Exemption documentation. The division shall establish procedures by which a seller of prepaid wireless telecommunications service may document that a sale is not a retail transaction, which procedures shall substantially coincide with the procedures form documenting sale for resale transactions for sales tax purposes under § 44-19-18 of the general laws.

(e) All fees collected pursuant to this section shall be deposited as general revenues in a restricted receipt account and used solely for the operation of the E-911 uniform emergency telephone system.

SECTION 3. Chapter 39-21 of the General Laws entitled “E-911 Uniform Emergency Telephone System Division” is hereby amended by adding thereeto the following section:
39-21-18. 911 Restricted receipt account.

There is created within the general fund a restricted receipt account to be known as the "911 account". All funds in the account shall be utilized by the division of taxation to effectuate the provisions of chapters 21, 21.1 and 21.2 of this title. All funds received pursuant to §§ 39-21.1-14, 39-21.2-4 and 39-21.2-5 shall be deposited in the "911 account". The general treasurer is authorized and directed to draw their orders on the account upon receipt of properly authenticated vouchers from the division of taxation.

SECTION 4. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
RELATING TO PUBLIC UTILITIES AND CARRIERS -- 911 EMERGENCY TELEPHONE NUMBER ACT--PREPAID WIRELESS E-911 CHARGE ACT

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1 This act would create a restricted receipt account for all 911 funds collected by telephone service providers on land lines and cell phones, both contract and prepaid, and would require all 911 funds to be used solely for the operation of the 911 system. This act would also authorize the PUC to reduce 911 surcharges to the extent they exceed the sums needed to operate the 911 system.

6 This act would take effect upon passage.

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