Approved: <u>March 15, 2010</u>

Date

#### MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Pat Apple at 1:30 p.m. on March 2, 2010, in Room 548-S of the Capitol.

All members were present.

Committee staff present:

Kristen Kellems, Office of the Revisor of Statutes Matt Sterling, Office of the Revisor of Statutes Raney Gilliland, Kansas Legislative Research Department Cindy Lash, Kansas Legislative Research Department Ann McMorris, Committee Assistant Jeannine Wallace, Sen. Apple's Office Assistant

Conferees appearing before the Committee:

Others attending:

See attached list.

Chair opened the hearing on:

HB 2652 - Kelsey Smith Act; call location; amendments.

Matt Sterling, Assistant Revisor of Statutes, explained the proposed amendments to **HB 2652**. (Attachment 1)

Two changes were discussed and recommended - submitting of contact information annually by June 15 instead of April 15 and the act to take effect on publication in the register instead of the statute book.

Chair closed the hearing on SB 2652.

Chair continued discussion on

House Substitute to Substitute for SB 48 - Emergency telephone service, fees, charges, collection and distribution.

Revisor's office provided the following titled documents:

Master Balloon of House Substitute to Substitute for SB 48 Version A (Attachment 2)

Petersen Group Explainer SB 48 amendments (Attachment 3)

Petersen Group, Version B (Attachment 4)

Chair called on Senators Masterson, Brownlee, Bruce, Lee, Petersen and Francisco for comments and possible corrections in the language in the balloon as compiled from their studies of various components.

Chair announced **House Substitute to Substitute for SB 48** would be worked at the March 3, 2010 Senate Utilities Committee meeting.

The next meeting is scheduled for March 3, 2010.

The meeting was adjourned at 2:25 p.m.

Respectfully submitted,

Ann McMorris
Committee Assistant

Attachments - 4



## SENATE UTILITIES COMMITTEE GUEST LIST MARCH 2, 2010

NAME	REPRESENTING
Duna Frisk	Version Te Dir. Oass
Diane Gaze	Sedswick Country
Melissa Wangemann	KAC
DAW JAKOBSEN	AT&T
Walter Way	Jahren Gunly
John John	Continue
Shinly Her	KRITC
Milestrat	Sprint
Bob Kellen	JE50
Nelson Knueger	Sure West
John I odax	Centura (ini)
Dogg Smith	Independents Group
Oben Jenneri	Cov
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## SENATE UTILITIES COMMITTEE GUEST LIST MARCH 2, 2010

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NAME /	REPRESENTING
1 Jon Coches ERIK SARTORIUS	Soirt
ERIK SARTORIUS	Soir t City of Overland Park
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MARY ANN TORRENCE, ATTORNEY REVISOR OF STATUTES

JAMES A. WILSON III, ATTORNEY FIRST ASSISTANT REVISOR

GORDON L. SELF, ATTORNEY FIRST ASSISTANT REVISOR



## OFFICE OF REVISOR OF STATUTES KANSAS LEGISLATURE

Legal Consultation—
Legislative Committees and Legislators
Legislative Bill Drafting
Legislative Committee Staff
Secretary—
Legislative Coordinating Council
Kansas Commission on
Interstate Cooperation
Kansas Statutes Annotated
Editing and Publication
Legislative Information System

#### **MEMORANDUM**

·To:

Chairman Apple and members of the Senate Committee on Utilities

From:

Matt Sterling, Assistant Revisor of Statutes

Date:

March 2, 2010

Subject:

House Bill No. 2652

HB 2652 would amend K.S.A. 2009 Supp. 22-4615, or the Kelsey Smith Act. The act currently requires a wireless telecommunications carrier, upon request of law enforcement, to provide call location information of a user in order to respond to an emergency situation involving risk of death or physical harm. Currently, the KBI is required to obtain contact information for all wireless carriers authorized to do business in Kansas in order to facilitate any law enforcement requests for call location information.

HB 2652 would amend the act to require that all wireless telecommunications carriers registered in Kansas submit emergency contact information to the KBI, instead of requiring the KBI to obtain the information. The amendment made by the House Committee of the Whole would require all resellers of wireless telecommunications services to provide emergency contact information to the KBI as well. The carriers and resellers would be required to provide this contact information annually by April 15<sup>th</sup> or upon any change in contact information.

The bill would also require the KBI to maintain a database containing emergency contact information for all carriers registered in Kansas and would make the information immediately available upon request to all public safety answer points in the state. The KBI would be given an extension until July 1, 2011 to promulgate rules and regulations to fulfill the requirements of this bill.

Senate Utilities Committee March 2, 2010 Attachments 1-1

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# HOUSE Substitute for Substitute for SENATE BILL No. 48

By Committee on Energy and Utilities

1-26

AN ACT concerning emergency telephone service; relating to fees, charges, collection and distribution; amending K.S.A. 2009 Supp. 12-5338, 12-5361/and 75-5133 and repealing the existing sections; also repealing K.S.A. 12-5301, 12-5303, 12-5304, 12-5305, 12-5306, 12-5307, 12-5308, 12-5309 and K.S.A. 2009 Supp. 12-5302, 12-5310, 12-5321, 12-5322, 12-5323, 12-5324, 12-5325, 12-5326, 12-5327, 12-5328, 12-5329, 12-5330, 12-5331, 12-5332, 12-5333, 12-5334, 12-5335, 12-5356, 12-5357, 12-5358, 12-5359 and 12-5360.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) Sections 1 through 15 and 19, and amendments thereto, shall be known and may be cited as the Kansas 911 act.

- (b) This section shall take effect on and after January 1, 2011. New Sec. 2. (a) As used in the Kansas 911 act:
- (1) "Consumer" means a person who purchases prepaid wireless service in a retail transaction.
  - (2) "Department" means the Kansas department of revenue.
- (3) "Exchange telecommunications service" means the service that provides local telecommunications exchange access to a service user.
- (4) "Local Collection Point Administrator (LCPA)" means the state-wide association of cities established by K.S.A. 12-1610e, and amendments thereto, and the statewide association of counties established by K.S.A. 19-2690, and amendments thereto.
- (5) "Next generation 911" means 911 service that enables PSAP's to receive text, image, video, and data information from callers.
- (6) "Person" means any individual, firm, partnership, copartnership, joint venture, association, cooperative organization, corporation, municipal or private, and whether organized for profit or not, state, county, political subdivision, state department, commission, board, bureau or fraternal organization, nonprofit organization, estate, trust, business or common law trust, receiver, assignee for the benefit of creditors, trustee or trustee in bankruptcy or any other legal entity.

, and 45-221

Renumber remaining subsections accordingly

Technical amendment Brownlee group Bruce/Emler group Apple group Masterson group

- (7) "Prepaid wireless service" means a wireless telecommunications service that allows a caller to dial 911 to access the 911 system, which service must be paid for in advance and is sold in predetermined units or dollars of which the number declines with use in a known amount.
- (8) "Place of primary use" has the meaning provided in the mobile telecommunications act (4 U.S.C. 116, et. seq., as in effect on the effective date of this act).
- (9) "Provider" means any person who provides exchange telecommunications service, wireless telecommunications service, VoIP service, or other service capable of contacting a PSAP.

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- (10) "PSAP" means a public safety answering point operated by a city or county.
- (11) "Retail transaction" means the purchase of prepaid wireless service from a seller for any purposes other than resale, not including the use, storage or consumption of such services.
- (12) "Seller" means a person who sells prepaid wireless service to another person.
- (13) "Service user" means any person who is provided exchange telecommunications service, wireless telecommunications service, VoIP service, prepaid wireless service, or any other service capable of contacting a PSAP.
- "Subscriber account" means the 10-digit access number assigned to a service user regardless of whether more than one such number is aggregated for the purpose of billing a service user.
- (15) "Subscriber radio equipment" means mobile and portable radio equipment installed in vehicles or carried by persons for voice communication with a radio system.
  - (16) "VoIP service" means voice over internet protocol.
- "Wireless telecommunications service" means commercial mobile radio service as defined by 47 C.F.R. 20.3 as in effect on the effective date of this act.
  - (b) This section shall take effect on and after January 1, 2011.
- New Sec. 3. (a) There is hereby imposed a 911 fee in the amount of \$55 per month per subscriber account of any exchange telecommunications service, wireless telecommunications service, VoIP service, or other service capable of contacting a PSAP. Such fee shall not be imposed on prepaid wireless service. No such fee shall be imposed upon more than 100 exchange telecommunications service subscriber accounts per person per location. It shall be the duty of each exchange telecommunications service provider, wireless telecommunications service provider, VoIP service provider, or other service provider to remit such fees to the local collection point administrator as provided in section 4, and amendments thereto.

- (10) "Statewide 911 coordinator" means the person appointed to be the liaison between all of the various entities dealing with 911 service including, but not limited to: the LCPA, the 911 coordinating council, the adjutant general and the Kansas board of emergency services.
- (14) "Wholesaler of prepaid wireless service" means a person who purchases at wholesale wireless service from a wireless provider for resale as prepaid wireless service.

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(b) This section shall take effect on and after January 1, 2011. New Sec. 4. (a) Every billed service user shall be liable for the 911

fee until such fees have been paid to the exchange telecommunications service provider, wireless telecommunications service provider, VoIP

service provider, or other service provider.

(b) The duty to collect the fees imposed pursuant to this act shall commence January 1, 2011. Such fees shall be added to and may be stated separately in billings for the subscriber account. If stated separately in billings, the fees shall be labeled "KS 911 fees."

- (c) The provider shall have no obligation to take any legal action to enforce the collection of the fees imposed by this act. The provider, other than a wholesaler of prepaid wireless service, shall provide annually to the LCPA a list of amount of uncollected 911 fees along with the names and addresses of those service users which carry a balance that can be determined by the provider to be nonpayment of such fees.
- (d) The fees imposed by this act shall be collected insofar as practicable at the same time as, and along with, the charges for local exchange, wireless, VoIP, or other service in accordance with regular billing practice of the provider.
- (e) The 911 fees and the amounts required to be collected therefor are due monthly. The amount of such fees collected in one month by the provider shall be remitted to the LCPA not more than 15 days after the close of the calendar month. On or before the 15th day of each calendar month following, a return for the preceding month shall be filed with the LCPA. Such return shall be in such form and shall contain such information as required by the LCPA. The provider required to file the return shall deliver the return together with a remittance of the amount of fees payable to the LCPA. The provider shall maintain records of the amount of any such fees collected in accordance with this act for a period of three years from the time the fees are collected.
- (f) The provider may retain an administrative fee of not more than 2% of moneys collected from such fee. The LCPA may retain an administrative fee of not more than 2% of moneys collected from such fee.
- (g) The provisions of this section shall not be construed to apply to prepaid wireless service.
  - (h) This section shall take effect on and after January 1, 2011.

New Sec. 5. (a) There is hereby imposed a prepaid wireless 911 fee of 1.1% per retail transaction or, on and after the effective date of an adjusted amount per retail transaction that is established under subsection (f), such adjusted amount.

(b) The prepaid wireless 911 fee 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 911 fee shall be either sepa-

- (b)(1) Each PSAP shall file with the 911 coordinating council, a uniform reporting form, as described in section 10, by January 1 of each subsequent calendar year.
- (2) The 911 coordinating council, may, pursuant to rules and regulations, raise or lower the 911 fee upon a finding, based on information indicated by the reporting forms, that moneys generated by such fee are in excess of or are below the cost required to operate, as defined in this act, a PSAP. The 911 coordinating council shall not lower the 911 fee below \$.40 and shall not raise such fee above \$.60
- (c) There is hereby imposed a 911 fee in the amount of 1% of the retail price of any prepaid wireless service sold in the state. It shall be the duty of each wholesaler of prepaid wireless service to remit such fee to the LCPA as provided in section 4, and amendments thereto. On January 1, 2013, the provisions of this subsection shall expire.

Reletter remaining subsections accordingly

or the wholesaler of prepaid wireless

rately stated on an invoice, receipt or other similar document that is provided to the consumer by the seller, or otherwise disclosed to the consumer.

- (e) For purposes of subsection (b), a retail transaction that is effected in person by a consumer in 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 the purposes of subsection (e)(3) of K.S.A. 70 3673, and amendments thereto.
- (d) The prepaid wireless 911 fee 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 911 fees that the seller collects from consumers as provided in section 6, and amendments thereto, including all such fees that the seller is deemed to collect where the amount of the charge has not been separately stated in an invoice, receipt or other similar document provided to the consumer by the seller.
- (e) The amount of the prepaid wireless 911 fee 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.
- (f) The prepaid wireless 011 fee shall be proportionately increased or reduced, as applicable, upon any change to the fee imposed by subsection (a) of section 3, and amendments thereto. The adjusted amount shall be determined by dividing the amount of the fee imposed by subsection (a) of section 3, and amendments thereto by \$50. Such increase or reduction shall be effective on the effective date of the change to the fee imposed by subsection (a) of section 3, and amendments thereto, or, if later, the first day of the calendar quarter to occur at least 60 days after the enactment to the change to the fee imposed by subsection (a) of section 3, and amendments thereto. The department shall provide not less than 60 days' notice of such increase or decrease on the department's website.
- (g) When prepaid wireless service is sold with one or more other products or services for a single, non itemized price, then the percentage specified in subsection (a) shall apply to the entire non-itemized price unless the seller elects to apply such percentage to (1) if the amount of the prepaid wireless service is disclosed to the consumer as a dollar amount, such dollar amount, or (2) if the seller can identify the portion of the price that is attributable to the prepaid wireless 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.

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(h) This section shall take effect on January 1, 2011.

- New Sec. 6. (a) Prepaid wireless 911 fees collected by sellers shall be remitted to the department by electronic filing that is consistent with the provisions of chapter 79, article 36 of the Kansas Statutes Annotated. The department shall establish registration and payment procedures for the collection of the prepaid wireless 911 fee.
- (b) A seller shall be permitted to retain an administrative fee not to exceed 2% of prepaid wireless 911 fees that are collected by the seller from consumers.
- (e) To minimize additional costs to the department, the department may conduct audits of sellers in conjunction with sales and use tax audits. The department is authorized to provide the LCPA with information obtained in such audits if such information indicates that a seller may not be complying with the provisions of this section and section 5, and amendments thereto. The LCPA may request the department to initiate collection or audit procedures on individual sellers if collection efforts by the LCPA are unsuccessful.
- (d) The department shall establish procedures by which a seller may document that a sale is not a retail sale, which procedures shall substantially coincide with procedures for documenting sale for resale transactions for chapter 79, article 36 of the Kansas Statutes Annotated.
- (e) The department shall transfer all remitted prepaid wireless 911 fees to the LCPA within 30 days of receipt for distribution as provided in section 8, and amendments thereto. Prior to such transfer, the department may retain up to 1% of remitted charges for use in administering the provisions of this section.
- (f) In addition to retaining 1% of remitted charges for administrative uses, the department may retain up to \$70,000 of remitted funds in fiscal year 2011 only for use in paying for programming and other one time costs for establishing a system for collecting the prepaid wireless 911 fee.
  - (g) This section shall take effect on January 1, 2011.
- New Sec. 7. (a) The prepaid wireless 911 fee imposed in this act shall be the only 911 funding obligation imposed with respect to prepaid wireless service in this state. No tax, fee, surcharge or other charge shall be imposed by this state, any political subdivision of this state or any intergovernmental agency for 911 funding purposes upon any prepaid wireless service provider, seller or consumer with respect to the sale, purchase, use or provision of prepaid wireless service.
  - (b) This section shall take effect on January 1, 2011.
- 5. New Sec. 8. (a) Not later than 30 days after the receipt of moneys from providers pursuant to sections 3 and 4, and amendments thereto, the LCPA shall distribute such moneys to PSAPs based upon the following ratio: 82% shall be distributed to PSAPs based upon place of primary

or the wholesaler of prepaid wireless

use information provided by the providers and 18% shall belredistributed to PSAPs located in counties with less than 75,000 in population pursuant to rules and regulations established by the 911 coordinating council. Moneys which cannot be attributed to a specific PSAP shall be transferred to the LCPA grant fund.

(b) Moneys collected from the fee on prepaid wireless service pursuant to section 5, and amendments thereto, shall be transferred to the LCPA grant fund.

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(c) The LCPA shall keep accurate accounts of all receipts and disbursements of moneys from the 911 fees.

(d) Information provided by providers to the LCPA or to the 911 coordinating council pursuant to this act will be treated as proprietary records which will be withheld from the public upon request of the party submitting such records.

(e) This section shall take effect on and after January 1, 2011. 6. New Sec. 9. (a) The proceeds of the 911 fees imposed pursuant to this act, and any interest earned on revenue derived from such fee, shall be used only for necessary and reasonable costs incurred or to be incurred by PSAPs for: (1) Implementation of 911 services; (2) purchase of 911 equipment and upgrades; (3) maintenance and license fees for 911 equipment; (4) training of personnel; (5) monthly recurring charges billed by service suppliers; (6) installation, service establishment, and nonrecurring start-up charges billed by the service supplier; (7) charges for capital improvements and equipment or other physical enhancements to the 911 system; (8) the acquisition and installation of road signs designed to aid in the delivery of emergency service. Such costs shall not include expenditures to lease, construct, expand, acquire, remodel, renovate, repair, furnish or make improvements to buildings or similar facilities. Such costs shall also not include expenditures to purchase subscriber radio equipment.

 $\tilde{\Lambda}(b)$  This section shall take effect on and after January 1, 2011 32 8. New Sec. 10. (a) There is hereby created a 911 coordinating council which shall monitor the delivery of 911 services, develop strategies for future enhancements to the 911 system, and distribute available grant funds to PSAPs. In as much as possible, the 911 coordinating council shall include individuals with technical expertise regarding 911 systems, internet technology, and GIS technology. The coordinating council shall consist of 12 members to be appointed by the governor: Two members representing wireless telecommunications providers; one member representing a local exchange provider to be recommended by the Kansas telecommunications industry association; one member representing a rural telecommunications company recommended by the Kansas rural independent telephone companies; one member representing VoIP prodeposited into the LCPA grant fund to be distributed, upon application by a PSAP, with priority given to such PSAPs seeking consolidation and shall be distributed

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Renumber remaining

subsections accordingly

with input from the statewide 911 coordinator

or the wholesaler of prepaid wireless

New Sec. 7. (a) There is hereby created a statewide 911 coordinator. The statewide 911 coordinator shall be appointed by the governor. Compensation for the statewide 911 coordinator shall be in an amount fixed by the governor and shall be paid from the LCPA arant fund.

(b) The statewide 911 coordinator shall advise and cooperate with the 911 coordinating council, the LCPA and various state agencies and boards charged with emergency management, and carry out necessary functions, in order to facilitate communication between such entities and enable the operation of emergency services in Kansas to function efficiently and effectively.

(2) The coordinating council shall consist of 11 voting members to be appointed by the governor: Two members representing information technology personnel from government units; one member representing a law enforcement officer; one member representing a county fire chief; one member recommended by the adjutant general; one member recommended by the Kansas emergency medical services board; two members representing PSAPs located in counties with less than 75,000 in population; two members representing PSAPs located in counties with greater than 75,000 in population; and one member representing a PSAP without regard for size.

(3) Other voting members shall include: One member of the the Kansas house of representatives as appointed the speaker of the house; one member of the Kansas house of representatives as appointed by the minority leader of the house; one member of the Kansas senate as appointed by the senate president; and one member of the Kansas senate as appointed by the senate minority leader.

(4) The coordinating council shall also include non-voting members to be appointed by the governor: One member representing wireless communications providers; one member representing a local exchange provider as recommended by the Kansas telecommunications industry association; one member representing rural telecommunications company recommended by the Kansas rural independent telephone companies; one member representing VoIP providers; one member recommended by the league of Kansas municipalities; one member recommended by the Kansas association of counties; one member recommended by the Kansas geographic information systems policy board; one member recommended by KAN-ED; and one member recommended by the Mid-America regional council.

(5) The governor shall designate, from among the voting members, one such member as chair of the council.

viders; two members recommended by the league of Kansas municipalities; two members recommended by the Kansas association of counties; one member recommended by the Kansas commission for the deaf and hard of hearing; one member recommended by the Kansas emergency medical services board; and, one member recommended by the adjutant general. The council shall also include two members of the Kansas house of representatives as appointed by the speaker of the house; one member of the Kansas house of representatives as appointed by the minority leader of the house; two members of the Kansas senate as appointed by the senate president and one member of the Kansas senate as appointed by the senate minority leader. The governor shall designate one member as chair of the council.

(b) The terms of office for members of the 911 coordinating council shall commence January 1, 2011 and shall be subject to reappointment every three years.

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The 911 coordinating council is hereby authorized to adopt rules and regulations necessary for effectuation of the provisions of this act. including, but not limited to, assessing civil penalties.

Ad No civil penalty shall be imposed pursuant to this section except upon the written order of the 911 coordinating council. Such order shall state the violation, the penalty to be imposed and the right of such provider to appeal the penalty in accordance with the provisions of the Kansas administrative procedure act.

(e) Any civil penalty recovered pursuant to this section shall be deposited with the LCPA grant fund. or the wholesaler of prepaid wireless

- (f) So long as the provider is working in good faith to comply with the provisions of this act, no civil penalty shall be imposed prior to January 1, 2012.
- (g) The LCPA shall provide staff support to the 911 coordinating council. Members of the 911 coordinating council may receive reimbursement for meals and travel expenses, but shall serve without other compensation. All expenses related to the 911 coordinating council shall be paid from the LCPA grant fund.

(h) / This section shall take effect on and after January 1, 2011.

- 35 8. New Sec. 11. (a) PSAPs, the LCPA, providers and sellers shall not be liable for any form of damages resulting directly or indirectly from the performance of installing, maintaining or providing 911 service.
  - (b) This section shall be in force and effective on and after January 1, 2011.
- 40 9. New Sec. 12. (a) The receipts and disbursements of the LCPA shall be audited yearly by a licensed municipal accountant or certified public accountant.
  - (b) The LCPA may require an audit of any provider's books and re-

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on the effective date of this act and shall be subject to reappointment every three years. No voting member shall serve longer than two three-year terms. A voting member appointed as a replacement for another voting member may finish the terms of the predecessor and may serve two additional three-year terms.

(c) The statewide coordinator shall implement statewide 911 planning and ensure that policies adopted by the coordinating council are carried out.

Reletter remaining sections

creating a uniform reporting form designating how 911 fee moneys have been spent by the PSAPs, requiring service providers to notify the 911 coordinating council, setting standards for coordinating and purchasing equipment and assessing civil penalties. The 911 coordinating council shall work with the 911 statewide coordinator to carry out the provisions of this act. Any rules and regulations necessary to effectuate this act shall be promulgated by June 30, 2010.

- (e) Every provider shall provide the council with contact information for the provider prior to January 1, 2011. Any provider that has not previously provided wireless telecommunications service in this state shall provide the council with contact information for the provider within three months of first offering wireless communications services in this state.
- (f) Each PSAP shall file with the 911 coordinating council, a report demonstrating how such PSAP has spent the moneys earned from the 911 fee. The 911 coordinating council shall designate the content and form of such report.

Reletter remaining sections

The 911 coordinating council shall make an annual report to the house committee on energy and utilities and the senate committee on utilities.

Except as provided by the Kansas tort claims act, and except for failure to use ordinary care, or for intentional acts, the LCPA and each provider, and their employees and agents, shall not be liable for the payment of damages resulting directly or indirectly from the total or partial failure of any transmission to an emergency telephone service or for damages resulting from the performance of installing, maintaining or providing 911 service.

with the exception of legislative members. All expenses related to the 911 coordinating council shall be paid from the LCPA grant fund. The statewide coordinator shall attend meetings and assist the 911 coordinating council.

1 cords/concerning the collection and remittance of fees pursuant to this act. The cost of any such audit shall be paid from the LCPA grant fund.

(c) On or before December 31, 2011, and at least once every three years thereafter, the division of post audit shall conduct an audit of the 911 system to determine: (1) Whether the moneys received by PSAPs pursuant to this act are being used appropriately; (2) whether the amount of moneys collected pursuant to this act is adequate; and (3) the status of 911 service implementation. The auditor to conduct such audit shall be specified in accordance with K.S.A. 46-1122, and amendments thereto. The post auditor shall compute the reasonably anticipated cost of providing audits pursuant to this subsection, subject to review and approval by the contract audit committee established by K.S.A. 46-1120, and amendments thereto. Upon such approval, the LCPA grant fund shall reimburse the division of post audit for the amount approved by the contract audit committee. The audit report shall be submitted to the 911 coordinating council, the LCPA, the house energy and utilities committee and the senate utilities committee.

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- (d) The legislature shall review this act at the regular 2015 legislative session and at the regular legislative session every five years thereafter.
- (e) This section shall take effect on and after January 1, 2011.
- 21 10. New Sec. 13. (a) Nothing in this act shall be construed to limit the ability of a provider from recovering directly from the provider's customers its costs associated with designing, developing, deploying and maintaining 911 service and its cost of collection and administration of the fees imposed by this act, whether such costs are itemized on the cus tomer's bill as a surcharge or by any other lawful method.
  - (b) This section shall take effect on and after January 1, 2011
- 28 11. New Sec. 14. (a) The LCPA shall establish and maintain a grant fund for PSAPs, which shall not be part of the state treasury. Such money and any interest earned on such money may only be expended for the following purposes: projects involving the development of next generation 911 services; costs associated with PSAP consolidation or cost sharing projects; expenses related to the 911-coordinating council; the costs of audits conducted pursuant to section 12 on its effective date, and amendments thereto: and other purposes as defined in section 9 on its effective date; and amendments thereto.
  - (b) The 911 coordinating council shall develop criteria for grant applicants and make the final determination as to the distribution of grant funds.
- 40 13. New Sec. 15. On the effective date of this act, all funds remaining in the wireless enhanced 911 grant fund established pursuant to K.S.A. 12-5323, and amendments thereto, shall be transferred to the LCPA. Any funds received on or after the effective date of this act and prior to January

of any provider or wholesaler of prepaid wireless

- (1) On or before the effective date of this act, the LCPA shall establish the LCPA state grant fund. The LCPA state grant fund shall not be part of the state treasury. The LCPA shall utilize a competitive bidding process to select a neutral, competent and bonded third party to administer the LCPA state grant fund.
- (2) The administrator shall be responsible for ensuring that the LCPA state grant fund and any interest earned on money credited to the fund is only expended for the following purposes: (A) Projects involving the development of next generation 911 services; (B) costs associated with PSAP consolidation or costsharing projects; (C) expenses related to the 911 coordinating council; (D) the costs of audits conducted pursuant to subsections (b) and (c) of section 12 on its effective date, and amendments thereto; and (E) other purposes as defined in section 9, on its effective date and amendments thereto.

with input from the statewide 1911 coordinator.

New Sec. 12. (a) Administration of the next generation 911 federal grant is hereby transferred from the Kansas governor's grants program of the governor's department to the 911 coordinating council.

- (b) There is hereby established the next generation 911 federal grant fund in the state treasury. Moneys received under the next generation 911 federal grant shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the next generation 911 federal grant fund which shall be administered by the 911 coordinating council.
- (c) All expenditures from the next generation 911 federal grant fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the 911 coordinating council or such chairperson's designee.
- (d) The 911 coordinating council is hereby authorized to adopt rules and regulations necessary to enable it to administer the provisions of the next generation 911 federal grant including hiring a consultant, in accordance with 49 C.F.R. 18, to enable Kansas to establish regional interfaced ESInets and an internet protocol enabled emergency network. The consultant shall work with the 911 coordinating council to coordinate the implementation of the next generation 911 system with adjacent states, federal authorities, emergency service functions.

Relettering the remaining subsections and renumbering the remaining sections

- 1 1, 2011, shall be transferred to the LCPA at least monthly. The LCPA shall deposit such amount in the LCPA grant fund to be distributed as provided in section 14, and amendments thereto.
- 14. Sec. 16. K.S.A. 2009 Supp. 12-5338 is hereby amended to read as follows: 12-5338. (a) On July 1, 2010: (1) January 1, 2011, the wireless enhanced 911 grant fee and the wireless enhanced 911 local fee shall be discontinued, the advisory board shall be abolished, any unobligated balance of the wireless enhanced 911 grant fund shall be paid to the local collection point administrator for distribution to PSAP's based on the population of the municipality or municipalities served by the respective PSAP and the deposit in the LCPA grant fund and the wireless enhanced 911 grant fund shall be abolished.

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- (2) Within any county which has a population of 125,000 or more, the amount of the tax imposed pursuant to K.S.A. 12-5302, and amendments thereto, shall not exceed \$.25 per month per access line or its equivalent and the amount of the wireless enhanced 911 local fee within such jurisdiction shall be an equal amount per month per wireless subscriber account.
- (3) Within any county which has a population of less than 125,000 the amount of the tax imposed to K.S.A. 12-5302, and amendments thereto, shall not exceed \$.50 per month per access line or its equivalent and the amount of the wireless enhanced 911 local fee shall be an equal amount per month per wireless subscriber account.
- 24 (4) The provisions of K.S.A. 2009 Supp. 12-5323 through 12-5329, 25 and amendments thereto, shall expire.
  - (b) On and after July 1, 2010, the proceeds of the wireless enhanced 011 local fee shall be used only to pay for costs of emergency telephone service described in K.S.A. 12-5304, and amendments thereto, and expenditures authorized by K.S.A. 2009 Supp. 12-5330, and amendments thereto.
- 31 15. Sec. 47. K.S.A. 2009 Supp. 12-5361 is hereby amended to read as 32 follows: 12-5361. (a) On July 1, 2010: (1) January 1, 2011, the VoIP enhanced 911 grant fee and the VoIP enhanced 911 local fee shall be discontinued.
  - (2) The amount of the tax per access line or its equivalent imposed within a jurisdiction pursuant to K.S.A. 12-5302, and amendments thereto, and the amount of the VoIP enhanced 911 local fee per VoIP subscriber whose primary residence is within such jurisdiction shall be an equal amount per month.
- 40 (3) The provisions of K.S.A. 2009 Supp. 12-5354 and 12-5355, and 41 amendments thereto, shall expire.
- 42 (b) On and after July 1, 2010, the proceeds of the VoIP local fee shall 43 be used only to pay for costs of emergency telephone service described

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in K.S.A. 12-5304, and amendments thereto, and expenditures authorized by K.S.A. 2009 Supp. 12-5330, and amendments thereto.

Sec. 18. K.S.A. 2009 Supp. 75 5133 is hereby amended to read as follows: 75-5133.-(a) Except as otherwise more specifically provided by law, all information received by the secretary of revenue, the director of taxation or the director of alcoholic-beverage control from returns, reports, license applications or registration documents made or filed under the provisions of any law imposing any sales, use or other excise tax administered by the secretary of revenue, the director of taxation, or the director of alcoholic beverage control, or from any investigation conducted under such provisions, shall be confidential, and it shall be unlawful for any officer or employee of the department of revenue to divulge any such information except in accordance with other provisions of law respecting the enforcement and collection of such tax, in accordance with proper judicial-order or as provided in K.S.A. 74-2424, and amendments thereto.

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- <del>(b)</del> The secretary of revenue or the secretary's designee may:
- (1) Publish statistics, so classified as to prevent identification of particular reports or returns and the items thereof;
- allow the inspection of returns by the attorney general or the attorney general's designee;
- (3) provide the post auditor access to all such excise tax reports or returns in accordance with and subject to the provisions of subsection (g) of K.S.A. 46 1106, and amendments thereto;
- (4) disclose taxpayer information from excise tax returns to persons or entities contracting with the secretary of revenue where the secretary has determined disclosure of such information is essential for completion of the contract and has taken appropriate steps to preserve confidentiality;
- (5) provide information from returns and reports filed under article 42 of chapter 79 of the Kansas Statutes Annotated to county appraisers as is necessary to insure proper valuations of property. Information from such returns and reports may also be exchanged with any other state agency administering and collecting conservation or other taxes and fees imposed on or measured by mineral production;
- provide, upon request by a city or county clerk or treasurer or finance officer of any city or county receiving distributions from a local excise tax, monthly reports identifying each retailer doing business in such city or county or making taxable sales sourced to such city or county, setting forth the tax liability and the amount of such tax remitted by each retailer during the preceding month, and identifying each business location maintained by the retailer and such retailer's sales or use tax-registration or account number;
  - (7) provide information from returns and applications for registration

Sec. 16. K.S.A. 2009 Supp. 45-221, by adding new subsection (a)(49) to read as follows: (49) Information provided by providers to the local collection point administrator or to the 911 coordinating council pursuant to the Kansas 911 act, and amendments thereto, upon request of the party submitting such records.

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filed pursuant to K.S.A. 12 187, and amendments thereto, and K.S.A. 79 3601, and amendments thereto, to a city or county treasurer or clerk or finance officer to explain the basis of statistics contained in reports provided by subsection (b)(6);

- (8) disclose the following oil and gas production statistics received by the department of revenue in accordance with K.S.A. 70 4216 et seq. and amendments thereto: Volumes of production by well name, well number, operator's name and identification number assigned by the state corporation commission, lease name, leasehold property description, county of production or zone of production, name of purchaser and purchaser's tax identification number assigned by the department of revenue, name of transporter, field code number or lease code, tax period, exempt production volumes by well name or lease, or any combination of this information;
- (9) release or publish liquor brand registration information provided by suppliers, farm wineries and microbreweries in accordance with the liquor control act. The information to be released is limited to: Item number, universal numeric code, type status, product description, alcohol percentage, selling units, unit size, unit of measurement, supplier number, supplier name, distributor number and distributor name;
- (10) release or publish liquor license information provided by liquor licensees, distributors, suppliers, farm wineries and microbreweries in accordance with the liquor control act. The information to be released is limited to: County name, owner, business name, address, license type, license number, license expiration date and the process agent contact information;
- (11) release or publish eigarette and tobacco license information obtained from eigarette and tobacco licensees in accordance with the Kansas eigarette and tobacco products act. The information to be released is limited to: County name, owner, business name, address, license type and license number;
- (12) provide environmental surcharge or solvent fee, or both, information from returns and applications for registration filed pursuant to K.S.A. 65 34,150 and 65 34,151, and amendments thereto, to the secretary of health and environment or the secretary's designee for the sole purpose of ensuring that retailers collect the environmental surcharge tax or solvent fee, or both;
- (13) provide water protection fee information from returns and applications for registration filed pursuant to K.S.A. 82a 954, and amendments thereto, to the secretary of the state board of agriculture or the secretary's designee and the secretary of the Kansas water office or the secretary's designee for the sole purpose of verifying revenues deposited to the state water plan fund;

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- (14) provide to the secretary of commerce copies of applications for project exemption certificates sought by any taxpayer under the enterprise zone sales tax exemption pursuant to subsection (ee) of K.S.A. 79 3606; and amendments thereto;
- (15) disclose information received pursuant to the Kansas eigarette and tobacco act and subject to the confidentiality provisions of this act to any criminal justice agency, as defined in subsection (e) of K.S.A. 22 4701, and amendments thereto, or to any law enforcement officer, as defined in subsection (e)(10) of K.S.A. 21 3110, and amendments thereto, on behalf of a criminal justice agency, when requested in writing in conjunction with a pending investigation; and
- (16) provide to retailers tax exemption information for the sole purpose of verifying the authenticity of tax exemption numbers issued by the department.; and
- (17) provide information-concerning remittance by sellers of prepaid wireless 911 fees from returns to the LCPA, as defined in section 2, and amendments thereto, for purposes of verifying seller compliance with collection and remittance of such fees.
- (e) Any person receiving any information under the provisions of subsection (b) shall be subject to the confidentiality provisions of subsection (a) and to the penalty provisions of subsection (d).
- (d) Any violation of this section shall be a class A, nonperson misdemeanor, and if the offender is an officer or employee of this state, such officer or employee shall be dismissed from office. Reports of violations of this paragraph shall be investigated by the attorney general. The district attorney or county attorney and the attorney general shall have authority to prosecute any violation of this section if the offender is a city or county <u>elerk or treasurer or finance officer of a city or county.</u>
- 17. New Sec. 19. The provisions of this act are declared to be severable 30 and if any provision, word, phrase or clause of the act or the application thereof to any person shall be held invalid, such invalidity shall not effect <u>th</u>e validity of the remaining portions of this act.
- 33 18. Sec. 20. K.S.A. 12-5305, 12-5306, 12-5307 and 12-5309 and K.S.A.
- 2009 Supp. 12-5338, 12-5361 and 75-5133 are hereby repealed.
- 19. Sec. 21. On and after January 1, 2011, K.S.A. 12-5301, 12-5303, 12-
  - 5304 and 12-5308 and K.S.A. 2009 Supp. 12-5302, 12-5310, 12-5321, 12-5322, 12-5323, 12-5324, 12-5325, 12-5326, 12-5327, 12-5328, 12-5329,
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- 12-5330, 12-5331, 12-5332, 12-5333, 12-5334, 12-5335, 12-5336, 12-
- 5337, 12-5351, 12-5352, 12-5353, 12-5354, 12-5355, 12-5356, 12-5357,
- <u>12</u>-5358, 12-5359 and 12-5360 are hereby repealed.
- [20.]Sec.  $\frac{22.}{20.}$  This act shall take effect and be in force from and after its publication in the Kansas register.

and 45-221 Petersen group SB 48 Balloon amendments Explainer

#### Section 9.

This section says that proceeds and interest earned on the 911 fee shall only be used by PSAPs for necessary and reasonable costs, including (the new language is in red):

- Procuring 911 equipment, software, upgrades and computer platforms
- Maintenance and license fees for 911 equipment and software
- Training of PSAP personnel or the training of other personnel directly involved with the use of 911 equipment
- Recurring charges for 911 system services billed by a provider
- Installation, service establishment and nonrecurring start-up charges billed by a provider
- Charges for equipment or other physical enhancements to the 911 system
- Acquisition, installation and maintenance of road signs designed to aid in the delivery of emergency service.

The section adds a new subsection (b) which states that necessary and reasonable costs do not include:

- Expenditures to lease, construct, expand acquire, remodel, renovate, repair, furnish or make improvements to buildings or similar facilities
- Procure, maintain or upgrade subscriber radio equipment
- Salaries for PSAP personnel.

#### Section 14.

Subsection (a) of this section will not be necessary if the Committee decides to adopt the Apple group amendment for Section 14(a).

This section states that the LCPA grant fund money and interest earned on such money MAY only be used for:

- Projects involving the development and implementation of next generation 911 services
- Costs associated with PSAP consolidation or cost-sharing projects
- Expenses related to the 911 coordinating council
- Costs for only audits of providers and audits done by Legislative Post Audit
- Costs acquired pursuant to Section 9.

Subsection (b) allows the 911 coordinating council

- Develop criteria for grant applicants, which criteria shall promote the purchase of standardized equipment
- Make the final determination as to the distribution of grant funds.

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- (b) Moneys collected from the fee on prepaid wireless service pursuant to section 5, and amendments thereto, shall be transferred to the LCPA grant fund.
- (c) The LCPA shall keep accurate accounts of all receipts and disbursements of moneys from the 911 fees.

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- (d) Information provided by providers to the LCPA or to the 911 coordinating council pursuant to this act will be treated as proprietary records which will be withheld from the public upon request of the party submitting such records.
- (e) This section shall take effect on and after January 1, 2011.

New Sec. 9. (a) The proceeds of the 911 Fees imposed pursuant to this act, and any interest earned on revenue derived from such fee, shall be used only for necessary and reasonable costs incurred or to be incurred by PSAPs for: (1) Implementation of 911 services; (2) purchase of 911 equipment and upgrades; (3) maintenance and license fees for 911 equipment; (4) training of personnel; (5) monthly recurring charges billed by service suppliers; (6) installation, service establishment, and nonrecurring start up charges billed by the service supplier; (7) charges for capital improvements and equipment or other physical enhancements to the 911 system; (8) the acquisition and installation of road signs designed to aid in the delivery of emergency service. Such costs shall not include expenditures to lease, construct, expand, acquire, remodel, renovate, repair, furnish or make improvements to buildings or similar facilities. Such costs shall also not include expenditures to purchase subscriber radio equipment.

(b) This section shall take effect on and after January 1, 2011.

New Sec. 10. (a) There is hereby created a 911 coordinating council which shall monitor the delivery of 911 services, develop strategies for future enhancements to the 911 system, and distribute available grant funds to PSAPs. In as much as possible, the 911 coordinating council shall include individuals with technical expertise regarding 911 systems, internet technology, and GIS technology. The coordinating council shall consist of 12 members to be appointed by the governor: Two members representing wireless telecommunications providers; one member representing a local exchange provider to be recommended by the Kansas telecommunications industry association; one member representing a rural telecommunications company recommended by the Kansas rural independent telephone companies; one member representing VoIP pro-

fee

- (1) Procurement of 911 equipment, software, upgrades and computer platforms; (2) maintenance and license fees for 911 equipment and software; (3) training of PSAP personnel or the training of other personnel directly involved with the use of 911 equipment; (4) recurring charges for 911 system services billed by a provider; (5) installation, service establishment and nonrecurring start-up charges billed by the provider; (6) charges for equipment or other physical enhancements to the 911 system; (7) the acquisition, installation and maintenance of road signs designed to aid in the delivery of emergency service.
- (b) Such costs shall not include expenditures to lease, construct, expand, acquire, remodel, renovate, repair, furnish or make improvements to buildings or similar facilities. Such costs shall also not include expenditures to procure, maintain or upgrade subscriber radio equipment or salaries for PSAP personnel.

cords concerning the collection and remittance of fees pursuant to this act. The cost of any such audit shall be paid from the LCPA grant fund.

(c) On or before December 31, 2011, and at least once every three years thereafter, the division of post audit shall conduct an audit of the 911 system to determine: (1) Whether the moneys received by PSAPs pursuant to this act are being used appropriately; (2) whether the amount of moneys collected pursuant to this act is adequate; and (3) the status of 911 service implementation. The auditor to conduct such audit shall be specified in accordance with K.S.A. 46-1122, and amendments thereto. The post auditor shall compute the reasonably anticipated cost of providing audits pursuant to this subsection, subject to review and approval by the contract audit committee established by K.S.A. 46-1120, and amendments thereto. Upon such approval, the LCPA grant fund shall reimburse the division of post audit for the amount approved by the contract audit committee. The audit report shall be submitted to the 911 coordinating council, the LCPA, the house energy and utilities committee and the senate utilities committee.

- (d) The legislature shall review this act at the regular 2015 legislative session and at the regular legislative session every five years thereafter.
  - (e) This section shall take effect on and after January 1, 2011.

New Sec. 13. (a) Nothing in this act shall be construed to limit the ability of a provider from recovering directly from the provider's customers its costs associated with designing, developing, deploying and maintaining 911 service and its cost of collection and administration of the fees imposed by this act, whether such costs are itemized on the customer's bill as a surcharge or by any other lawful method.

(b) This section shall take effect on and after January 1, 2011.

New Sec. 14. (a) The LCPA shall establish and maintain a grant fund for PSAPs, which shall not be part of the state treasury. Such money and any interest earned on such money may only be expended for the following purposes: projects involving the development/of next generation 911 services; costs associated with PSAP consolidation or cost-sharing projects; expenses related to the 911 coordinating council; the costs of audits conducted pursuant to section 12 on its effective date, and amendments thereto; and other purposes as defined in section 9 on its effective date, and amendments thereto.

(b) The 911 coordinating council shall develop criteria for grant applicants and make the final determination as to the distribution of grant funds.

New Sec. 15. On the effective date of this act, all funds remaining in the wireless enhanced 911 grant fund established pursuant to K.S.A. 12-5323, and amendments thereto, shall be transferred to the LCPA. Any funds received on or after the effective date of this act and prior to January

and implementation

subsections (b) and (c)

costs pursuant to

Such criteria shall promote the purchase of standardized equipment.