

THE STATE SENATE
Monday, March 29, 2010

Committee Substitute for
ENGROSSED

House Bill No. 2556

COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 2556 - By: Martin (Steve) of the House and Bingman and Gumm of the Senate.

An act relating to emergency telephone services; amending 63 OS. 2001, Section 2843, as last amended by Section 2, Chapter 353, O.S.L. 2007 (63 O.S. Supp. 2009, Section 2843), which relates to the Nine-One-One Wireless Emergency Number Act; modifying definitions; defining terms; amending 63 O.S. 2001, Section 2843.1, as last amended by Section 3, Chapter 353, O.S.L. 2007 (63 O.S. Supp. 2009, Section 2843.1), which relates to county implementation of nine-one-one emergency wireless telephone fees; excluding fees for certain wireless services; modifying payments schedule for certain fees; defining terms; imposing fees on certain wireless retail transactions; stating procedures; stating application; stating liability for certain fees; excluding certain fees in tax assessments; requiring the Oklahoma Tax Commission to establish certain registration and payment procedures; stating distribution of certain fees; requiring Oklahoma Tax Commission develop formula for distribution of certain fees; authorizing Oklahoma Tax Commission to retain certain amount of fees for implementation costs; limiting uses for certain funds; stating application for providers and sellers of certain services; restricting collection of fees and uses for nine-one-one funding obligations; deeming certain user information proprietary; requiring Oklahoma Tax Commission to provide report itemizing certain expenditures within certain time period; providing for codification; providing for noncodification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. AMENDATORY 63 O.S. 2001, Section 2843, as
2 last amended by Section 2, Chapter 353, O.S.L. 2007 (63 O.S. Supp.
3 2009, Section 2843), is amended to read as follows:

4 Section 2843. As used in the Nine-One-One Wireless Emergency
5 Number Act, unless the context otherwise requires:

6 1. "Area served" means the geographic area which shall be
7 served by the emergency telephone service provided by the governing
8 body of a county, municipality, part of a county or combination of
9 such governing bodies;

10 2. "Governing body" means the board of county commissioners of
11 a county, the city council or other governing body of a
12 municipality, or a combination of such boards, councils or other
13 municipal governing bodies, which shall have an administering board
14 as provided in subsection G of Section 2815 of this title. Any such
15 combined administering board shall be formed and shall enter into an
16 agreement with the governing body of each entity in accordance with
17 the Interlocal Cooperation Act. The agreement shall be filed with
18 the office of the county clerk and in the offices of each
19 governmental entity involved;

20 3. "Nine-one-one wireless emergency telephone service" means
21 any telephone system whereby wireless telephone subscribers may
22 utilize a three-digit number, nine-one-one (911), for reporting an
23 emergency to the appropriate public agency providing law

1 enforcement, fire, medical, or other emergency services, including
2 ancillary communications systems and personnel necessary to pass the
3 reported emergency to the appropriate emergency service and which
4 the wireless service provider is required to provide pursuant to the
5 Federal Communications Commission Order 94-102 (961 Federal Register
6 40348);

7 4. "Nine-one-one emergency wireless telephone fee" means a fee
8 to finance the installation and operation of emergency wireless
9 telephone service and related equipment;

10 5. "Local exchange telephone company" means any company
11 providing exchange telephone service to any service user in this
12 state, and shall include any competitive local exchange carrier as
13 defined in Section 139.102 of Title 17 of the Oklahoma Statutes;

14 6. "Person" means any service user, including any individual,
15 firm, partnership, copartnership, joint venture, association,
16 cooperative organization, private corporation, whether organized for
17 profit or not, fraternal organization, nonprofit organization,
18 estate, trust, business or common law trust, receiver, assignee for
19 the benefit of creditors, trustee or trustee in bankruptcy, the
20 United States of America, the state, any political subdivision of
21 the state or any federal or state agency, department, commission,
22 board, or bureau;

23 7. "Place of primary use" means+

1 ~~a.~~ the street address representative of where the use of
2 the mobile telecommunications service of the customer
3 primarily occurs, which shall be the residential
4 street address or the primary business street address
5 of the customer, ~~if known,~~
6 ~~b.~~ ~~if the street address of the customer is not known,~~
7 ~~the billing address of the customer, if known,~~
8 ~~c.~~ ~~if neither the street address nor Oklahoma billing~~
9 ~~address of the customer is known, the wireless~~
10 ~~provider shall disclose to the substate planning~~
11 ~~district its chosen means to determine the~~
12 ~~customer's location for remittance purposes and~~
13 must be within the licensed service area of the
14 home service provider in accordance with ORS 68-
15 55001 and the federal Mobile Telecommunications
16 Sourcing Act, P.L. No. 106-252, codified at 4
17 U.S.C. 116-126;

18 8. "Prepaid wireless telecommunications service", as defined in
19 paragraph 12 of Subsection A of Section 1354.30 of Title 68 of the
20 Oklahoma Statutes, means a telecommunications wireless service that
21 provides the right to utilize mobile wireless service as well as
22 other non-telecommunications services, including the download of
23 digital products delivered electronically, content and ancillary

1 services, which must be paid for in advance that is sold in
2 predetermined units or dollars of which the number declines with use
3 in a known amount;

4 9. "Proprietary information" shall include subscriber, market
5 share, cost and review information;

6 ~~9.~~ 10. "Public agency" means any city, town, county, municipal
7 corporation, public district, public trust, substate planning
8 district, or public authority located within this state which
9 provides or has authority to provide fire fighting, law enforcement,
10 ambulance, emergency medical, or other emergency services;

11 ~~10.~~ 11. "Substate planning district" means the following
12 organizations:

- 13 a. Association of Central Oklahoma Governments (ACOG),
- 14 b. Association of South Central Oklahoma Governments
15 (ASCOG),
- 16 c. Central Oklahoma Economic Development District
17 (COEDD),
- 18 d. Eastern Oklahoma Economic Development District
19 (EOEDD),
- 20 e. Grand Gateway Economic Development Association
21 (GGEDA),
- 22 f. Indian Nations Council of Governments (INCOG),
- 23 g. Kiamichi Economic Development District (KEDDO),

- 1 h. Northern Oklahoma Development Association (NODA),
- 2 i. Oklahoma Economic Development Association (OEDA),
- 3 j. Southern Oklahoma Development Association (SODA), and
- 4 k. South Western Oklahoma Development Authority (SWODA);

5 ~~11.~~ 12. "Wireless service provider" means a provider of
6 commercial mobile service under Section 332(d) of the
7 Telecommunications Act of 1996, 47 U.S.C., Section 151 et seq.,
8 Federal Communications Commission rules, and the Omnibus Budget
9 Reconciliation Act of 1993, Pub. L. No. 103-66, and includes a
10 provider of wireless two-way communication service, radio-telephone
11 communications related to cellular telephone service, network radio
12 access lines or the equivalent, and personal communication service.
13 The term does not include a provider of:

- 14 a. a service whose users do not have access to nine-one-
15 one service,
- 16 b. a communication channel used only for data
17 transmission, or
- 18 c. a wireless roaming service or other nonlocal radio
19 access line service; and

20 ~~12.~~ 13. "Wireless telecommunications connection" means the ten-
21 digit access number assigned to a customer regardless of whether
22 more than one such number is aggregated for the purpose of billing a
23 service user.

1 SECTION 2. AMENDATORY 63 O.S. 2001, Section 2843.1, as
2 last amended by Section 3, Chapter 353, O.S.L. 2007 (63 O.S. Supp.
3 2009, Section 2843.1), is amended to read as follows:
4 Section 2843.1 A. To provide for processing nine-one-one
5 emergency wireless calls, the board of county commissioners of a
6 county may by resolution submit to the voters of the county the
7 question of the imposition of a nine-one-one emergency wireless
8 telephone fee for each wireless connection, excluding a connection
9 for prepaid wireless telecommunications services, in the county as
10 determined by the subscriber's place of primary use. The resolution
11 shall include the amount of the fee which shall be fifty cents
12 (\$0.50) per month for each wireless connection, and shall call for
13 an election to be held within one (1) year from the date the
14 resolution is adopted. If a majority of the votes cast in an
15 election held approve the imposition of an emergency telephone fee,
16 the fee shall be imposed. A political subdivision may not impose
17 another fee on a wireless service provider or subscriber for nine-
18 one-one emergency service. The proceeds of the fee shall be
19 utilized to pay for the operation of emergency wireless telephone
20 service as specified in this section. Prepaid wireless
21 telecommunications services shall be subject only to the fees as set
22 forth in Section 3 of this act.

1 B. A wireless service provider shall collect the emergency
2 wireless telephone fee in an amount equal to the amount approved as
3 provided for in subsection A of this section for each wireless
4 telecommunications connection from each of its subscribers of
5 wireless telephone service within the boundaries of the county as
6 determined by the subscriber's place of primary use and shall pay
7 the money collected to the substate planning district that
8 represents that county not later than thirty (30) days after the
9 last day of the month during which the fees were collected. The
10 wireless service provider may retain an administrative fee of two
11 percent (2%) of the amount collected when remitted in the time
12 specified, unless otherwise agreed upon. The money remitted to the
13 substate planning district and any other money collected to fund the
14 emergency wireless telephone system shall be deposited in a special
15 wireless nine-one-one account established by the district.

16 C. Money collected under subsection B of this section shall be
17 used only for services related to nine-one-one emergency wireless
18 telephone services, including automatic number identification and
19 automatic location information services. The substate planning
20 districts shall distribute the money collected for each county which
21 has approved the emergency wireless telephone fee to each public
22 agency within that county which has established emergency wireless
23 telephone service or has sent a written request for installation,

1 maintenance, and operation of an emergency wireless telephone
2 service to a wireless service provider. The money remitted to the
3 public agency and any other money collected to fund the emergency
4 wireless telephone system shall be deposited in a special wireless
5 nine-one-one account established by the substate planning district.
6 From the emergency wireless telephone fee, the substate planning
7 districts shall distribute to other public agencies in the county
8 their proportionate share attributable to emergency wireless
9 telephone services as determined by at least an annual census of
10 wireless users provided by the wireless service provider. All
11 wireless user information provided by a wireless service provider
12 shall be deemed proprietary and is not subject to disclosure to the
13 public or any other party. Remittance of the fee to a public agency
14 may begin at any time if an existing emergency wireless telephone
15 service is already operative or upon written request by the local
16 governing body to the provider for installation, maintenance, and
17 operation of a nine-one-one emergency wireless telephone service and
18 related equipment. Amounts not used within a given year shall be
19 carried forward.

20 D. Every billed service user shall be liable for any emergency
21 wireless telephone fee imposed pursuant to this section until it has
22 been paid to the wireless service provider. ~~As of the effective~~
23 ~~date of this section, each prepaid wireless service provider shall~~

1 ~~remit the emergency wireless telephone fee for its prepaid wireless~~
2 ~~customers in accordance with either of the following methods:~~

3 ~~1. For each active prepaid wireless customer whose account~~
4 ~~balance is equal to or greater than the amount of the fee, the~~
5 ~~provider shall deduct and remit the fee; and~~

6 ~~2. If it is not technically feasible for the prepaid wireless~~
7 ~~service provider to deduct the emergency wireless telephone fee from~~
8 ~~an active account, the prepaid wireless service provider shall pay~~
9 ~~the fee for each active prepaid account and seek reimbursement using~~
10 ~~whatever means are available to the provider.~~

11 E. The duty to collect any emergency wireless telephone fee
12 imposed pursuant to the authority of the Nine-One-One Wireless
13 Emergency Number Act from a service user shall commence ~~within sixty~~
14 ~~(60) days~~ on the first day of the calendar quarter following the
15 date that a wireless service provider receives notice from a local
16 county which shall be at least sixty (60) days from the date that
17 the voters in a county have approved the fee, the amount of such fee
18 and the address to which the fee should be remitted. Fees imposed
19 pursuant to this section that are required to be collected by the
20 wireless service provider may be added to and shall be stated
21 separately in any billings to the service user.

22 F. The wireless service provider shall have no obligation to
23 take any legal action to enforce the collection of any emergency

1 wireless telephone fee imposed pursuant to the authority of this
2 section; however, should any service user tender a payment
3 insufficient to satisfy all charges, tariffs, fees, and taxes for
4 wireless telephone service, the amount tendered shall be credited to
5 the nine-one-one emergency wireless telephone fee in the same manner
6 as other taxes and fees. The wireless service provider shall at
7 least annually provide the governing body with a list of amounts
8 uncollected along with the names and addresses of those service
9 users who carry a balance that can be determined by the wireless
10 service provider to be nonpayment of any fee imposed pursuant to the
11 authority of this section.

12 G. Any emergency wireless telephone fee imposed pursuant to the
13 authority provided by this section shall be collected insofar as
14 practicable at the same time as, and along with, the charges for
15 wireless telephone service in accordance with the regular billing
16 practice of the wireless telephone service. ~~If the customer has~~
17 ~~prepaid for wireless telephone service, the wireless service~~
18 ~~provider shall remit the emergency wireless telephone fee in~~
19 ~~accordance with subsection D of this section.~~ However, if the
20 public agency has not deployed nine-one-one emergency wireless
21 telephone service within twenty-four (24) months or thirty-six (36)
22 months for counties with a population of less than thirty thousand
23 (30,000), from the initial collection of the fee under subsection B

1 of this section, the collection of the fee may be suspended until
2 such service is deployed. A wireless service provider is not liable
3 for failing to suspend collection of a fee.

4 H. Nothing in the Nine-One-One Wireless Emergency Number Act
5 shall be construed to limit the ability of a wireless service
6 provider from recovering its costs associated with designing,
7 developing, deploying, and maintaining wireless enhanced nine-one-
8 one service directly from the customers of the provider, whether the
9 costs are itemized on the bill of the wireless customer as a
10 surcharge or by any other lawful means.

11 SECTION 3. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 2843.2 of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 A. As used in this section, unless the context otherwise
15 requires:

16 1. "Consumer" means a person who purchases prepaid wireless
17 telecommunications service in a retail transaction;

18 2. "Prepaid wireless nine-one-one fee" means the fee that is
19 required to be collected by a seller from a consumer in the amount
20 established in this section;

21 3. "Provider" means a person that provides prepaid wireless
22 telecommunications service pursuant to a license issued by the
23 Federal Communications Commission;

1 4. "Retail transaction" means the purchase of prepaid wireless
2 telecommunications service from a seller for any purpose other than
3 for resale; and

4 5. "Seller" means a person who sells prepaid wireless
5 telecommunications service to another person.

6 B. There is hereby imposed a prepaid wireless nine-one-one fee
7 of fifty cents (\$0.50) per retail transaction or, on and after the
8 effective date of an adjusted amount per retail transaction that is
9 established under subsection G of this section, the adjusted amount.

10 C. The prepaid wireless nine-one-one fee shall be collected by
11 the seller from the consumer with respect to each retail transaction
12 occurring in this state. The amount of the prepaid wireless nine-
13 one-one fee shall either be separately stated on an invoice, receipt
14 or similar document that is provided to the consumer by the seller,
15 or otherwise disclosed to the consumer.

16 D. For purposes of subsection C of this section, a retail
17 transaction that is effected in person by a consumer at a business
18 location of the seller shall be treated as occurring in this state
19 if that business location is in this state. Any other retail
20 transaction shall be sourced as follows:

21 1. When the retail transaction does not occur at a business
22 location of the seller, the retail transaction is sourced to the
23 location where receipt by the consumer, or the consumer's donee,

1 designated as such by the consumer, occurs, including the location
2 indicated by instructions for delivery to the consumer or donee,
3 known to the seller;

4 2. When the provisions of paragraph 1 of this subsection do not
5 apply, the sale is sourced to the location indicated by an address
6 for the consumer that is available from the business records of the
7 seller that are maintained in the ordinary course of the seller's
8 business when use of this address does not constitute bad faith;

9 3. When the provisions of paragraphs 1 and 2 of this subsection
10 do not apply, the sale is sourced to the location indicated by an
11 address for the consumer obtained during the consummation of the
12 sale, including the address of a consumer's payment instrument, if
13 no other address is available, when use of this address does not
14 constitute bad faith; and

15 4. When none of the previous rules of paragraphs 1, 2, and 3 of
16 this subsection apply, including the circumstance in which the
17 seller is without sufficient information to apply the previous
18 rules, then the location will be determined by the address from
19 which the service was provided, disregarding for these purposes any
20 location that merely provided the digital transfer of the product
21 sold. If the seller knows the mobile telephone number, the location
22 will be that which is associated with the mobile telephone number.

1 E. The prepaid wireless nine-one-one fee is the liability of
2 the consumer and not of the seller or of any provider, except that
3 the seller shall be liable to remit all prepaid wireless nine-one-
4 one fees that the seller collects from the consumer as provided for
5 in this section, including all charges that the seller is deemed to
6 collect where the amount of the fee has not been separately stated
7 on an invoice, receipt, or other similar document provided by the
8 consumer to the seller.

9 F. If the amount of the prepaid wireless nine-one-one fee is
10 separately stated on the invoice, the prepaid wireless nine-one-one
11 fee shall not be included in the base for measuring any tax, fee,
12 surcharge, or other charge that is imposed by the state, any
13 political subdivision of this state, or any intergovernmental
14 agency.

15 G. The prepaid wireless nine-one-one fee shall be
16 proportionately increased or reduced, as applicable, upon any change
17 to the amount of the nine-one-one emergency wireless telephone fee
18 as provided in subsection A of Section 2843.1 of Title 63 of the
19 Oklahoma Statutes. The increase or reduction shall be effective on
20 the effective date of the change to the nine-one-one emergency
21 wireless telephone fee as provided in subsection A of Section 2843.1
22 of Title 63 of the Oklahoma Statutes or, if later, the first day of
23 the first calendar month to occur at least sixty (60) days after the

1 enactment of the change. The Oklahoma Tax Commission shall provide
2 not less than thirty (30) days' advance notice of an increase or
3 reduction on its public website.

4 H. Prepaid wireless nine-one-one fees collected by sellers
5 shall be remitted to the Oklahoma Tax Commission at the times and in
6 a manner provided for under the Oklahoma Sales Tax Code with respect
7 to the sales tax imposed on prepaid wireless telecommunications
8 services. The Oklahoma Tax Commission shall establish registration
9 and payment procedures that substantially coincide with the
10 registration and payment procedures that apply under the Oklahoma
11 Sales Tax Code.

12 I. A seller shall be permitted to deduct and retain three
13 percent (3%) of the prepaid wireless nine-one-one fees collected
14 from consumers.

15 J. The audit and appeal procedures, including limitations
16 period, applicable to the Oklahoma Sales Tax Code shall apply to
17 prepaid wireless nine-one-one fees.

18 K. The Oklahoma Tax Commission shall establish procedures by
19 which a seller may document that a sale is not a retail transaction.
20 The procedures shall be in substantial conformity with the
21 procedures for document sale for resale transactions under the
22 Oklahoma Sales Tax Code.

1 L. Within thirty (30) days of receipt, the Oklahoma Tax
2 Commission shall pay all remitted prepaid wireless nine-one-one fees
3 to the governing bodies that the Statewide Nine-One-One Advisory
4 Board has certified as eligible to receive funds. Such
5 certification shall be provided to the Oklahoma Tax Commission
6 annually before July 1. Eligible governing bodies shall be those
7 governing bodies that have imposed, and are collecting, the nine-
8 one-one emergency wireless telephone fee as authorized in subsection
9 A of Section 2843.1 of Title 63 of the Oklahoma Statutes. Such
10 distribution shall be as follows:

11 1. Ninety-eight percent (98%) of the revenue from the fee is
12 hereby allocated to the governing bodies as defined in Section 2843
13 of Title 63 of the Oklahoma Statutes and shall be paid to the
14 governing bodies. The share for each governing body shall be
15 determined by dividing the population of the governing body by the
16 total population of governing bodies where the fee authorized under
17 subsection A of Section 2843.1 of Title 63 of the Oklahoma Statutes
18 is imposed. The Oklahoma Tax Commission shall develop the formula
19 on the basis of population residing within the governing body, as
20 shown by the latest available Federal Census estimates as of July 1,
21 or from the best information then available to the Commission when
22 the information is not available from the latest available Federal
23 Census; and

1 2. The remaining two percent (2%) of the revenue from the fee
2 shall be retained by the Oklahoma Tax Commission to reimburse its
3 direct cost of administering the collection and remittance of
4 prepaid wireless nine-one-one fees.

5 Notwithstanding paragraphs 1 and 2 of this subsection, in the
6 fiscal year in which this act takes effect, prior to making the
7 distributions provided in paragraphs 1 and 2 of this subsection, the
8 Oklahoma Tax Commission shall retain an amount not to exceed Three
9 Hundred Thousand Dollars (\$300,000.00) to cover programming and
10 other one-time costs to implement a system to collect the prepaid
11 wireless nine-one-one fees. Distributions to governing bodies that
12 enact the wireless nine-one-one fee authorized under Section 2843.1
13 of Title 63 of the Oklahoma Statutes after the effective date of
14 this act shall commence in the calendar quarter after which the
15 Oklahoma Tax Commission has received at least one hundred twenty
16 (120) days' written notice from the governing body of the imposition
17 of the fee.

18 M. Money distributed by the Oklahoma Tax Commission to a
19 governing body pursuant to paragraph 1 of subsection L of this
20 section shall be used only for services related to nine-one-one
21 emergency wireless telephone services, including automatic number
22 identification and automatic location information services.

1 N. The provisions of subsection C of Section 2817 of Title 63
2 of the Oklahoma Statutes shall apply to providers and sellers of
3 prepaid wireless telecommunications service.

4 O. The prepaid wireless nine-one-one fee imposed by this
5 section shall be the only nine-one-one funding obligation imposed
6 with respect to prepaid wireless telecommunications services in this
7 state, and no tax, fee, surcharge, or other charge shall be imposed
8 by this state, any political subdivision of this state, or any
9 intergovernmental agency, for nine-one-one funding purposes, upon
10 any provider, seller, or consumer with respect to the sale,
11 purchase, use, or provision of prepaid wireless telecommunications
12 service.

13 P. Money collected pursuant to this section shall be used only
14 for services related to nine-one-one emergency wireless telephone
15 services, including automatic number identification and automatic
16 location information services. The money remitted to the governing
17 body and any other money collected to fund the emergency wireless
18 telephone system shall be deposited in a special wireless nine-one-
19 one account established by the governing body to which the Oklahoma
20 Tax Commission has remitted the prepaid wireless nine-one-one fees
21 and that has established emergency wireless telephone service. The
22 special wireless nine-one-one account may be the same account that
23 is or was established by the governing body under subsection C of

1 Section 2843.1 of Title 63 of the Oklahoma Statutes. Amounts not
2 used within a given year shall be carried forward.

3 Q. All wireless user information provided by a wireless service
4 provider shall be deemed proprietary and is not subject to
5 disclosure to the public or any other party.

6 SECTION 4. NEW LAW A new section of law not to be
7 codified in the Oklahoma Statutes reads as follows:

8 Within one year of the effective date of this act, the Oklahoma
9 Tax Commission shall make a detailed report to the President Pro
10 Tempore and the Speaker of the House of Representatives itemizing
11 the one-time costs authorized to cover implementation of the Nine-
12 One-One Wireless Emergency Number Act as provided in subsection C of
13 Section 3 of this act.

14 SECTION 5. This act shall become effective January 1, 2011.

15 COMMITTEE REPORT BY: COMMITTEE ON ENERGY & ENVIRONMENT, dated
16 3-25-10 - DO PASS, As Amended and Coauthored.