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SENATE FILE 2067  
BY VARN

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to emergency telephone communication systems, by  
2 providing for statewide funding for enhanced 911 systems  
3 through a subscriber surcharge on basic services.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2067

1 Section 1. Section 477B.3, Code Supplement 1989, is  
2 amended by adding the following new subsection:  
3 NEW SUBSECTION. 5. DEADLINE FOR IMPLEMENTATION OF  
4 ENHANCED 911 SERVICE PLANS. A joint enhanced 911 service plan  
5 shall be implemented by each service area on or before July 1,  
6 1994, and a waiver shall not be granted or effective on or  
7 after July 1, 1994.

8 Sec. 2. NEW SECTION. 477B.7A STATEWIDE FUNDING -- E911  
9 SERVICE SURCHARGE EFFECTIVE JULY 1, 1991.

10 When an E911 service plan is implemented, the costs of  
11 providing E911 service within an E911 service area are the  
12 responsibility of the joint E911 service board and the member  
13 political subdivisions. Costs in excess of those approved by  
14 the division of disaster services shall be paid by the joint  
15 E911 service board from such revenue sources allocated among  
16 the member political subdivisions as determined by the joint  
17 E911 service board. Funding is not limited to the service  
18 area's allocated share of the statewide surcharge, and  
19 surcharge revenues may be supplemented by other permissible  
20 local and state revenue sources.

21 1. STATEWIDE E911 SERVICE SURCHARGE IMPOSITION. Except as  
22 provided in subsection 3, a telephone subscriber shall pay a  
23 surcharge equal to three percent of the cost of that  
24 subscriber's basic service charge, per month, on each access  
25 line, for telephone service provided on or after July 1, 1991.  
26 This statewide surcharge shall replace as of July 1, 1991, any  
27 local surcharges previously authorized by section 477B.7.

28 2. SURCHARGE COLLECTED BY PROVIDERS. The surcharge shall  
29 be collected as part of the access line service provider's  
30 periodic billing to a subscriber. In compensation for the  
31 costs of billing and collection, the provider may retain one  
32 percent of the gross surcharges collected. If the  
33 compensation is insufficient to fully recover a provider's  
34 costs for billing and collection of the surcharge, the  
35 deficiency shall be included in the provider's costs for

1 ratemaking purposes to the extent it is reasonable and just  
2 under section 476.6. The surcharge shall be remitted  
3 quarterly to the division of disaster services' E911 fund by  
4 the provider. A provider is not liable for an uncollected  
5 surcharge for which the provider has billed a subscriber but  
6 not been paid. The surcharge shall appear as a single line  
7 item of a subscriber's periodic billing entitled, "E911  
8 emergency telephone service surcharge". The E911 service  
9 surcharge is not subject to sales or use tax.

10 3. MAXIMUM LIMIT PER SUBSCRIBER BILLING FOR SURCHARGE. An  
11 individual subscriber shall not be required to pay on a single  
12 periodic billing the surcharge on more than one hundred access  
13 lines, or their equivalent, in an E911 service area. A  
14 subscriber shall pay the surcharge in each E911 service area  
15 in which the subscriber receives access line service.

16 4. DIVISION OF DISASTER SERVICES' E911 FUND. The division  
17 shall establish and maintain as a separate account an E911  
18 fund. Any funds remaining in the account at the end of each  
19 fiscal year shall not revert to the general fund but shall  
20 remain in the E911 fund. Moneys in the E911 fund may only be  
21 used for nonrecurring and recurring costs of E911 service  
22 plans as approved by the administrator, as those terms are  
23 defined by section 477B.2.

24 5. USE OF MONEYS IN FUND -- ALLOCATION OF, AND PRIORITY  
25 AND LIMITATIONS ON, EXPENDITURE. Moneys deposited in the E911  
26 fund shall be allocated to each joint 911 service board which  
27 has implemented an approved enhanced 911 service plan based on  
28 the following formula: total subscribers in the enhanced 911  
29 service area divided by total subscribers in the state  
30 multiplied by the annual E911 fund budget.

31 The division shall review the annual budget for each joint  
32 911 service board, and any expenses not approved by the  
33 division shall not be funded by surcharge revenues. The  
34 division shall approve the following expenditures, in the  
35 following order of priority if funds are limited:

1 a. Money shall first be spent for actual recurring costs  
2 of operating the E911 service plan.

3 b. If money remains in the fund after fully paying for  
4 recurring costs incurred in the preceding year, the remainder  
5 may be allocated on the same basis to pay for nonrecurring  
6 costs, not to exceed actual nonrecurring costs as approved by  
7 the administrator.

8 c. If money remains in the fund after fully paying  
9 obligations under subsections 1 and 2, the remainder may be  
10 accumulated in the fund as a carryover operating surplus. If  
11 the surplus is greater than twenty-five percent of the  
12 approved annual operating budget for the next year, the  
13 administrator shall reduce the surcharge by an amount  
14 calculated to result in a surplus of no more than twenty-five  
15 percent of the planned operating budget. After nonrecurring  
16 costs have been paid, if the surcharge is less than three  
17 percent and the fund surplus is less than twenty-five percent  
18 of the approved annual operating budget, the administrator  
19 shall increase the surcharge in an amount calculated to result  
20 in a surplus of twenty-five percent of the approved annual  
21 operating budget. In no case may the surcharge exceed three  
22 percent per month, per access line. The surcharge may only be  
23 adjusted once in a single year, upon one hundred days' prior  
24 notice to the provider.

25 6. LIMITATION OF ACTIONS -- PROVIDER NOT LIABLE ON CAUSE  
26 OF ACTION RELATED TO PROVISION OF 911 SERVICES. A claim or  
27 cause of action does not exist based upon or arising out of an  
28 act or omission in connection with a provider's participation  
29 in an E911 service plan or provision of 911 or local exchange  
30 access service, unless the act or omission is determined to be  
31 willful and wanton negligence.

32 Sec. 3. Sections 477B.6 and 477B.7 are repealed effective  
33 July 1, 1991.

34 EXPLANATION

35 This bill replaces the current, optional, local twenty-

1 five-cents-per-month surcharge to fund E911 emergency  
2 telephone service, with a mandatory statewide surcharge equal  
3 to three percent of the monthly basic service charge per  
4 access line. The surcharge is collected in the same manner,  
5 but is paid over to a statewide fund, to be allocated by the  
6 division of disaster services of the department of public  
7 defense to each joint 911 service board based on its  
8 percentage of subscribers in the state, to pay for  
9 expenditures approved by the administrator upon annual review  
10 of the local E911 budget. The bill requires statewide  
11 implementation of E911 service no later than July 1, 1994, and  
12 imposes the statewide surcharge July 1, 1991.

13 The bill may include a state mandate as defined in section  
14 25B.3.

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