

**34A.7A Emergency communications service surcharge — fund established — distribution and permissible expenditures.**

1. a. The director shall adopt by rule a monthly surcharge of one dollar to be imposed on each originating service number provided in this state. The surcharge shall be imposed uniformly on a statewide basis and simultaneously on all originating service numbers as provided by rule of the director. The surcharge shall not be imposed on wire-line-based communications or prepaid wireless telecommunications service.

b. The program manager shall provide no less than sixty days' notice of the surcharge to be imposed to each originating service provider.

c. (1) The surcharge shall be collected as part of the originating service provider's periodic billing to a subscriber. The surcharge shall appear as a single line item on a subscriber's periodic billing indicating that the surcharge is for 911 emergency communications service.

(2) In compensation for the costs of billing and collection, the originating service provider may retain one percent of the gross surcharges collected.

(3) The surcharges shall be remitted quarterly by the originating service provider to the program manager for deposit into the fund established in [subsection 2](#).

(4) An originating service provider is not liable for an uncollected surcharge for which the originating service provider has billed a subscriber but which has not been paid.

2. Moneys collected pursuant to [subsection 1](#) and [section 34A.7B, subsection 2](#), shall be deposited in a separate 911 emergency communications fund within the state treasury under the control of the program manager. [Section 8.33](#) shall not apply to moneys in the fund. Moneys earned as income, including as interest, from the fund shall remain in the fund until expended as provided in [this section](#). Moneys in the fund shall be expended and distributed in the following priority order:

a. An amount as appropriated by the general assembly to the director shall be allocated to the director and program manager for implementation, support, and maintenance of the functions of the director and program manager and to employ the auditor of state to perform an annual audit of the 911 emergency communications fund.

b. (1) The program manager shall allocate to each joint 911 service board and to the department of public safety a minimum of one thousand dollars per calendar quarter for each public safety answering point within the service area of the department of public safety or joint 911 service board.

(2) The amount allocated under this paragraph "b" shall be sixty percent of the total amount of surcharge generated per calendar quarter allocated as follows:

(a) Sixty-five percent of the total dollars available for allocation shall be allocated in proportion to the square miles of the service area to the total square miles in this state.

(b) Thirty-five percent of the total dollars available for allocation shall be allocated in proportion to the wireless 911 calls taken at the public safety answering point in the service area to the total number of wireless 911 calls originating in this state.

(c) Notwithstanding subparagraph divisions (a) and (b), the minimum amount allocated to each joint 911 service board and to the department of public safety shall be no less than one thousand dollars for each public safety answering point within the service area of the department of public safety or joint 911 service board.

(3) The funds allocated in this paragraph "b" shall be used by the public safety answering points for the receipt and disposition of 911 calls.

c. From July 1, 2013, until June 30, 2026, the program manager shall allocate ten percent of the total amount of surcharge generated to wireless carriers to recover their costs to deliver E911 phase 1 services. If the allocation in this paragraph is insufficient to reimburse all wireless carriers for such carrier's eligible expenses, the program manager shall allocate a prorated amount to each wireless carrier equal to the percentage of such carrier's eligible expenses as compared to the total of all eligible expenses for all wireless carriers for the calendar quarter during which such expenses were submitted. When prorated expenses are paid, the remaining unpaid expenses shall no longer be eligible for payment under this paragraph.

d. (1) The program manager shall reimburse next generation 911 network service providers, 911 call processing equipment providers, 911 call transport providers, and third-party 911 automatic location identification database providers on a calendar quarterly basis for the costs of maintaining and upgrading the next generation 911 network functionality, 911 call processing equipment, 911 call transport from the next generation 911 network to public safety answering points and from the wireless originating service provider network to the next generation 911 network, and the automatic location identification database.

(2) The program manager may also provide grants to joint 911 service boards and the department of public safety for the purpose of developing and maintaining GIS data to be used in support of the next generation 911 network. The program manager shall provide guidelines, application forms, and notice of the availability of such grants on the department's internet site.

e. The department of homeland security and emergency management may, in a reserve account established within the 911 emergency communications fund, credit each fiscal year an amount of up to twelve and one-half percent of the annual 911 emergency communications service surcharge collected pursuant to [subsection 1](#) and the prepaid wireless 911 surcharge collected pursuant to [section 34A.7B, subsection 2](#). However, the moneys contained in such reserve account shall not exceed twelve and one-half percent of the total surcharges collected for each fiscal year. Moneys credited to the reserve account shall only be used by the department for the purpose of repairing or replacing equipment in the event of a catastrophic equipment failure, as determined by the director.

f. (1) If moneys remain in the fund after fully paying all obligations under paragraphs “a”, “b”, “c”, “d”, and “e”, remaining funds shall be expended and distributed in the following priority order:

(a) (i) The director, in consultation with the program manager and the 911 communications council, may provide grants to any public safety answering point agreeing to consolidate. For purposes of this subparagraph division, “consolidate” means the consolidation of all public safety answering point systems, functions, 911 service areas, and physical facilities of two or more public safety answering points, resulting in the consolidated public safety answering point being responsible for all call answering and dispatch functions for the combined 911 service area. Such a grant to a public safety answering point shall not exceed one-half of the projected cost of consolidation, or two hundred thousand dollars, whichever is less.

(ii) Grants provided under this subparagraph may, subject to available funding, be provided until June 30, 2022.

(iii) The director, in consultation with the program manager and the 911 communications council, shall adopt rules governing the eligibility for and the 911 communications council's distribution of grants to public safety answering points pursuant to this subparagraph division.

(b) The program manager, in consultation with the 911 communications council, shall allocate an amount, not to exceed one hundred thousand dollars per fiscal year, for development of public awareness and educational programs related to the use of 911 by the public, educational programs for personnel responsible for the maintenance, operation, and upgrading of local 911 systems, and the expenses of members of the 911 communications council for travel, monthly meetings, and training, provided, however, that the members have not received reimbursement funds for such expenses from another source.

(c) The program manager shall allocate an equal amount of moneys to each public safety answering point for costs related to the receipt and disposition of 911 calls, including hardware and software for the next generation 911 network and local costs related to accessing the state's interoperable communications system.

(2) Notwithstanding [section 8.33](#), any moneys remaining in the fund at the end of each fiscal year shall not revert to the general fund of the state but shall remain available for the purposes of the fund.

g. The director, in consultation with the program manager and the 911 communications council, shall adopt rules pursuant to [chapter 17A](#) governing the distribution of the surcharge

collected and distributed pursuant to [this subsection](#). The rules shall include provisions that all joint 911 service boards and the department of public safety which answer or service wireless 911 calls are eligible to receive an equitable portion of the receipts.

3. a. The program manager shall submit an annual report by January 15 of each year to the general assembly's standing committees on government oversight advising the general assembly of the status of 911 implementation and operations, including both wire-line and wireless services, the distribution of surcharge receipts, and an accounting of the revenues and expenses of the 911 program.

b. The program manager shall submit a calendar quarter report of the revenues and expenses of the 911 program to the fiscal services division of the legislative services agency.

c. The general assembly's standing committees on government oversight shall review the priorities of distribution of funds under [this chapter](#) at least every two years.

4. The amount collected from an originating service provider and deposited in the fund, pursuant to [section 22.7, subsection 6](#), information provided by an originating service provider to the program manager consisting of trade secrets, pursuant to [section 22.7, subsection 3](#), and other financial or commercial operations information provided by an originating service provider to the program manager, shall be kept confidential as provided under [section 22.7](#). [This subsection](#) does not prohibit the inclusion of information in any report providing aggregate amounts and information which does not identify numbers of accounts or customers, revenues, or expenses attributable to an individual originating service provider.

5. a. The program manager, in consultation with the 911 communications council and the auditor of state, shall establish a methodology for determining and collecting public safety answering point cost and expense data through the county joint 911 service boards. The methodology shall include the collection of data for direct costs and expenses related to the operation of a public safety answering point and account for the extent to which identified costs and expenses are compensated for or addressed through 911 surcharges versus other sources of funding.

b. Data collection pursuant to paragraph "a" shall commence no later than January 1, 2014, and shall be subject to an audit by the auditor of state beginning July 1, 2014. The program manager shall prepare a report detailing the methodology developed and the data collected after such data has been collected for a two-year period. The report and the results of the initial audit shall be submitted to the general assembly by March 1, 2016. A new report regarding data collection and the results of an ongoing audit for each successive two-year period shall be submitted by March 1 every two years thereafter. Expenses associated with the audit shall be paid to the auditor of state by the program manager from the 911 emergency communications fund established in [subsection 2](#).

c. A county joint 911 service board which fails to submit expenses and costs pursuant to the methodology developed pursuant to paragraph "a" by March 31 of each year shall be allocated sixty-five cents out of the one dollar 911 emergency communications service surcharge until March 31 of the following year. Remaining funds shall be held in the carryover operating surplus fund until the expenses and cost report is submitted by the county joint 911 service board. If the county joint 911 service board submits the expense and cost report before March 30 of the following year, the set aside funds shall be provided to the county joint 911 service board. If the county joint 911 service board fails to submit the expense and cost report within one year, funds shall revert to the carryover operating surplus fund and be used in accordance with [subsection 2, paragraph "f"](#).

[98 Acts, ch 1101, §9, 16; 99 Acts, ch 96, §5; 2004 Acts, ch 1175, §453 – 455; 2005 Acts, ch 140, §2; 2007 Acts, ch 213, §21; 2009 Acts, ch 41, §263; 2009 Acts, ch 86, §4; 2012 Acts, ch 1111, §9; 2013 Acts, ch 29, §35, 36; 2013 Acts, ch 30, §13; 2013 Acts, ch 120, §5 – 8; 2015 Acts, ch 129, §3, 5, 7, 8; 2016 Acts, ch 1100, §1; 2016 Acts, ch 1103, §2 – 4; 2017 Acts, ch 136, §9; 2018 Acts, ch 1076, §5 – 8, 11; 2022 Acts, ch 1031, §1](#)

Referred to in [§34A.2, 34A.7B, 34A.12, 34A.15](#)