

A-Engrossed
House Bill 2036

Ordered by the House July 7
Including House Amendments dated July 7

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Oregon Military Department)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Establishes alternative methods for telecommunications provider to satisfy requirement to collect and remit] **For purposes of tax on customer access to 9-1-1 emergency reporting system from prepaid telecommunications service customers, requires Department of Revenue to establish by rule policies and procedures for collection of tax imposed on prepaid services and on fixed interconnected Voice over Internet Protocol service. Directs department to report quarterly on administration of tax imposed on fixed interconnected Voice over Internet Protocol service to legislative committee on revenue. [Defines terms.]**
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the 9-1-1 emergency reporting system; creating new provisions; amending ORS 403.240;
3 and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 and 3 of this 2013 Act are added to and made a part of ORS 403.200**
6 **to 403.230.**

7 **SECTION 2. (1) As used in this section, "fixed interconnected Voice over Internet Pro-**
8 **tol service" means a telecommunications service that utilizes an Internet protocol to en-**
9 **able a customer to participate in real-time two-way voice communication.**

10 **(2) The Department of Revenue shall establish by rule policies and procedures for the**
11 **administration of the provisions of ORS 403.200 to 403.230, including policies and procedures**
12 **for the collection of the tax imposed under ORS 403.200 by providers required to collect tax**
13 **imposed on prepaid services, and by providers required to collect tax imposed on fixed**
14 **interconnected Voice over Internet Protocol service.**

15 **SECTION 3. (1) Beginning on or before February 15, 2014, the Department of Revenue**
16 **shall report on a quarterly basis to a committee of the Legislative Assembly related to re-**
17 **venue regarding the administration of the provisions of ORS 403.200 to 403.230.**

18 **(2) Beginning on or before February 15, 2015, the department shall include in the quar-**
19 **terly report required under subsection (1) of this section information that details categories**
20 **of providers that are deficient in collecting the tax imposed under ORS 403.200.**

21 **SECTION 4. Section 3 of this 2013 Act is repealed on the date of the convening of the 2017**
22 **regular session of the Legislative Assembly as specified in ORS 171.010.**

23 **SECTION 5. ORS 403.240, as amended by section 1, chapter 60, Oregon Laws 2012, is amended**
24 **to read:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 403.240. (1) The Office of Emergency Management shall distribute quarterly the entire amount
2 of the moneys in the Emergency Communications Account. The office shall pay the following
3 amounts from the account:

4 (a) Administrative costs incurred during the preceding calendar quarter by the Department of
5 Revenue in carrying out ORS 403.200 to 403.230 in an amount that does not exceed [*one-half*]
6 **three-quarters** of one percent of the amount in the account on the date of distribution, or actual
7 expenses incurred by the department, whichever is less.

8 (b) Administrative costs to be incurred during the calendar quarter by the Office of Emergency
9 Management in carrying out its duties under ORS 305.823 and 403.105 to 403.250. The amount to be
10 paid under this paragraph may not exceed four percent of the amount in the account on the date
11 of distribution, and, on or before the next date of distribution, the office shall repay to the account
12 any amount received under this paragraph that exceeds the actual expenses incurred by the office
13 in the quarter.

14 (2) The office may:

15 (a) Provide funding for the Oregon Emergency Response System in an amount that does not
16 exceed 15 percent of the legislatively approved budget for the Oregon Emergency Response System
17 subject to availability of funds within the limit for administrative costs in subsection (1)(b) of this
18 section.

19 (b) Prescribe the manner in which funding is provided to the Oregon Emergency Response Sys-
20 tem under this subsection.

21 (3) The office shall use funds in the Enhanced 9-1-1 Subaccount to pay for costs incurred during
22 the preceding calendar quarter for enhanced 9-1-1 telephone service established pursuant to ORS
23 403.115. The office may not disburse funds in the Enhanced 9-1-1 Subaccount to a 9-1-1 jurisdiction
24 that does not have an approved final plan as required in section 7, chapter 743, Oregon Laws 1991.
25 The office shall make payments for reimbursement only after a reimbursement request has been
26 submitted to the office in the manner prescribed by the office. Reimbursement requests for recurring
27 and nonrecurring charges necessary to enable the 9-1-1 jurisdiction to comply with ORS 403.115
28 must be submitted directly to the office. The costs reimbursable under this subsection are only those
29 incurred for:

30 (a) Modification of central office switching and trunking equipment;

31 (b) Network development, operation and maintenance;

32 (c) Database development, operation and maintenance;

33 (d) On-premises equipment procurement, maintenance and replacement;

34 (e) Conversion of pay station telephones required by ORS 403.140;

35 (f) Collection of the tax imposed by ORS 403.200 to 403.230; and

36 (g) Addressing if the reimbursement request is consistent with rules adopted by the office.

37 (4) Subject to availability of funds, the office shall provide funding to 9-1-1 jurisdictions that
38 have enhanced 9-1-1 telephone service operational prior to December 31, 1991, based on cost infor-
39 mation provided in their final plan required in section 7, chapter 743, Oregon Laws 1991. The office
40 shall approve final plans submitted that meet the minimum requirements set forth in ORS 403.115
41 (2) and (4). The office shall limit funding for costs incurred prior to the preceding calendar quarter
42 to charges associated with database development, network and on-premises equipment that satisfies
43 the requirements of ORS 403.115 (2) and (4). The office shall prescribe the manner in which funding
44 is provided under this subsection.

45 (5) 9-1-1 jurisdictions may use funds distributed to the jurisdiction from any account described

1 in ORS 403.235 to repay loans from the Special Public Works Fund if the loans were used for pur-
2 poses that are allowable under ORS 403.105 to 403.250.

3 (6) The office shall retain amounts remaining in the Enhanced 9-1-1 Subaccount and may dis-
4 tribute the amounts in a subsequent quarter for those purposes set forth in subsections (3), (4) and
5 (5) of this section.

6 (7) The office shall review reimbursement requests for modification of central office switching
7 and trunking equipment, conversion of pay station telephones, and network development, operation
8 and maintenance costs necessary to comply with ORS 403.115 for the appropriateness of the costs
9 claimed. The office shall approve or disapprove the reimbursement requests.

10 (8) The office shall review reimbursement requests for database development, operation and
11 maintenance, and on-premises equipment procurement, maintenance and replacement costs necessary
12 to comply with ORS 403.115 for the appropriateness of the costs claimed.

13 (9) After all amounts under subsections (1) and (2) of this section and ORS 403.235 (2) have been
14 paid, the office shall allocate the balance of the Emergency Communications Account to cities on
15 a per capita basis and to counties on a per capita basis of each county's unincorporated area for
16 distribution directly to 9-1-1 jurisdictions as directed by the city or county. However, each county
17 must be credited a minimum of one percent of the balance of the account after the amounts under
18 subsections (1) and (2) of this section and ORS 403.235 (2) have been paid.

19 (10) 9-1-1 jurisdictions shall submit an accounting report to the office annually. The report must
20 be provided in the manner prescribed by the office and must include but not be limited to:

21 (a) Funds received and expended under subsection (9) of this section for the purposes of fulfilling
22 the requirements of ORS 403.115;

23 (b) Local funds received and expended for the purposes of fulfilling the requirements of ORS
24 403.115; and

25 (c) Local funds received and expended for the purposes of providing emergency communications
26 services.

27 **SECTION 6. The amendments to ORS 403.240 by section 5 of this 2013 Act apply to cal-**
28 **endar quarters ending on or after the effective date of this 2013 Act.**

29 **SECTION 7. This 2013 Act takes effect on the 91st day after the date on which the 2013**
30 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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