

A-Engrossed
House Bill 3317

Ordered by the House April 5
Including House Amendments dated April 5

Sponsored by Representative READ; Representatives BAILEY, BARKER, BOONE, BUCKLEY, DOHERTY, FREDERICK, GALLEGOS, GELSER, GOMBERG, GORSEK, GREENLICK, HOLVEY, HOYLE, HUFFMAN, JENSON, KENY-GUYER, KOMP, KRIEGER, LIVELY, MATTHEWS, NATHANSON, PARRISH, VEGA PEDERSON, WEIDNER, WILLIAMSON, WITT, Senators STARR, THOMSEN (at the request of Oregon Chapters of Association of Public Safety Communications Officials/National Emergency Number Association (APCO/NENA), Association of Oregon Counties (AOC), League of Oregon Cities (LOC), Special Districts Association of Oregon (SDAO), Oregon State Firefighters Council (OSFFC), Oregon Fire District Directors Association (OFDDA), Oregon Fire Chiefs Association (OFCA), Oregon Volunteer Firefighters Association (OVFA), Oregon State Sheriffs Association (OSSA), Oregon Association Chiefs of Police (OACP), American Federation of State, County and Municipal Employees (AFSCME))

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.

Extends period of applicability of emergency communications tax. **For purposes of collection of tax, requires Department of Revenue to undertake enhanced enforcement and collection activities, with emphasis on collection by providers of tax owed on prepaid and Voice over Internet Protocol services. Directs department to report to Legislative Assembly regarding enhanced enforcement and collection activities.**

Increases percentage of revenues from tax paid to department for administrative costs. Applies to calendar quarters ending on or after effective date of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to emergency communications taxes; creating new provisions; amending ORS 403.240 and
3 section 4, chapter 5, Oregon Laws 2002 (first special session); prescribing an effective date; and
4 providing for revenue raising that requires approval by a three-fifths majority.

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

6 **SECTION 1.** Section 4, chapter 5, Oregon Laws 2002 (first special session), as amended by sec-
7 tion 1, chapter 4, Oregon Laws 2002 (third special session), and section 1, chapter 629, Oregon Laws
8 2007, is amended to read:

9 **Sec. 4.** (1) Taxes imposed under ORS [401.792] **403.200** apply to subscriber bills issued on or af-
10 ter January 1, 2002, and before January 1, [2014] **2022**.

11 (2) Taxes imposed under ORS [401.792] **403.200** on or after January 1, 2002, and before May 13,
12 2002, are due and payable by the subscriber to the provider on or before 20 days after the first day
13 of the month following May 13, 2002. Taxes that are not paid by the subscriber to the provider
14 within the time required shall bear interest at the rate established under ORS 305.220 for each
15 month, or fraction of a month, from the date that is 20 days after the first day of the month fol-
16 lowing May 13, 2002, until paid.

17 (3) Unless previously remitted, taxes that are paid to the provider under subsection (2) of this
18 section shall be remitted by the provider to the Department of Revenue at the time and in the same
19 manner as taxes imposed under ORS [401.792] **403.200** for the first month following May 13, 2002,

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 are remitted to the department.

2 **SECTION 2.** Sections 3 and 4 of this 2013 Act are added to and made a part of ORS 403.200
3 to 403.230.

4 **SECTION 3.** (1) As used in this section, “fixed interconnected Voice over Internet Pro-
5 tocol service” means a telecommunications service that utilizes an Internet protocol to en-
6 able a customer to participate in real-time two-way voice communication.

7 (2) For taxes imposed under ORS 403.200 that are due on or after the effective date of
8 this 2013 Act, the Department of Revenue, in its administration of the provisions of ORS
9 403.200 to 403.230, shall undertake enhanced enforcement and collection activities intended
10 to achieve greater compliance with the tax imposed under ORS 403.200, and shall emphasize
11 collection of the tax by providers required to collect tax imposed on prepaid services, and
12 providers required to collect tax imposed on fixed interconnected Voice over Internet Pro-
13 tocol service.

14 **SECTION 4.** (1) Beginning on or before February 15, 2014, the Department of Revenue
15 shall report on a quarterly basis to a committee of the Legislative Assembly related to re-
16 venue regarding the implementation of the enhanced enforcement and collection efforts re-
17 quired under section 3 of this 2013 Act.

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 5.** Section 4 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 6.** ORS 403.240, as amended by section 1, chapter 60, Oregon Laws 2012, is amended
24 to read:

25 403.240. (1) The Office of Emergency Management shall distribute quarterly the entire amount
26 of the moneys in the Emergency Communications Account. The office shall pay the following
27 amounts from the account:

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

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

38 (2) The office may:

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

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

45 (3) The office shall use funds in the Enhanced 9-1-1 Subaccount to pay for costs incurred during

1 the preceding calendar quarter for enhanced 9-1-1 telephone service established pursuant to ORS
2 403.115. The office may not disburse funds in the Enhanced 9-1-1 Subaccount to a 9-1-1 jurisdiction
3 that does not have an approved final plan as required in section 7, chapter 743, Oregon Laws 1991.
4 The office shall make payments for reimbursement only after a reimbursement request has been
5 submitted to the office in the manner prescribed by the office. Reimbursement requests for recurring
6 and nonrecurring charges necessary to enable the 9-1-1 jurisdiction to comply with ORS 403.115
7 must be submitted directly to the office. The costs reimbursable under this subsection are only those
8 incurred for:

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

10 (b) Network development, operation and maintenance;

11 (c) Database development, operation and maintenance;

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

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

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

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

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

24 (5) 9-1-1 jurisdictions may use funds distributed to the jurisdiction from any account described
25 in ORS 403.235 to repay loans from the Special Public Works Fund if the loans were used for pur-
26 poses that are allowable under ORS 403.105 to 403.250.

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

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

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

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

43 (10) 9-1-1 jurisdictions shall submit an accounting report to the office annually. The report must
44 be provided in the manner prescribed by the office and must include but not be limited to:

45 (a) Funds received and expended under subsection (9) of this section for the purposes of fulfilling

1 the requirements of ORS 403.115;

2 (b) Local funds received and expended for the purposes of fulfilling the requirements of ORS
3 403.115; and

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

6 **SECTION 7. The amendments to ORS 403.240 by section 6 of this 2013 Act apply to cal-**
7 **endar quarters ending on or after the effective date of this 2013 Act.**

8 **SECTION 8. This 2013 Act takes effect on the 91st day after the date on which the 2013**
9 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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