

A-Engrossed
House Bill 4055

Ordered by the House February 20
Including House Amendments dated February 20

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Rules)

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.

[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.]

Establishes procedures for collecting emergency communications tax on prepaid wireless telecommunications service and interconnected Voice over Internet Protocol service. Declares legislative findings concerning scope of existing tax, retroactivity of provisions and intent of Act to facilitate administration of collection of tax.

Directs Department of Revenue to report on collections and effectiveness of emergency communications tax to legislative committee on revenue.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to the 9-1-1 emergency reporting system; creating new provisions; amending ORS 403.105, 403.110, 403.200, 403.210, 403.215, 403.220, 403.225, 403.230 and 403.240 and section 4, chapter 5, Oregon Laws 2002 (first special session); and prescribing an effective date.

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

SECTION 1. ORS 403.105 is amended to read:

403.105. As used in ORS 305.823 and 403.105 to 403.250, unless the context requires otherwise:

(1) "Account" means the Emergency Communications Account.

(2) "Automatic location identification" means a component or capability of enhanced 9-1-1 telephone service that provides automatic display in the designated public safety answering point of geographic information about the location of the instrument used to originate an incoming 9-1-1 call.

(3) "Automatic number identification" means a component or capability of enhanced 9-1-1 telephone service that provides automatic display in the designated public safety answering point of a telephone number associated with the access line from which an incoming 9-1-1 call originates.

(4) "Call-back number" means a telephone number used by a primary public safety answering point to contact the location from which an incoming 9-1-1 call originates.

(5) "Central office" means a utility that houses the switching and trunking equipment serving telephones in a defined area.

(6) "Department" means the Department of Revenue.

(7) "Emergency call" means a telephone request that results from a situation in which prompt service is essential to preserve human life or property.

(8) "Emergency response location identifier" means a component or capability of enhanced 9-1-1

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 telephone service that identifies a specific emergency response location.

2 (9) "Enhanced 9-1-1 telephone service" means 9-1-1 telephone service consisting of a network,
3 database and on-premises equipment that provides automatic display in the designated public safety
4 answering point of a telephone number and geographic information about the location of the in-
5 strument used to originate an incoming 9-1-1 call when the call is received.

6 (10) "Exchange access services" means:

7 (a) Telephone exchange access lines or channels that provide local access by a subscriber in this
8 state to the local telecommunications network to effect the transfer of information; and

9 (b) Unless a separate tariff rate is charged therefor, any facility or service provided in con-
10 nection with the services described in paragraph (a) of this subsection.

11 (11) "Governing body" means the board of county commissioners of a county, city council of a
12 city, other governing body of a city or county, board of directors of a special district or a 9-1-1 ju-
13 risdiction.

14 (12) "Key telephone system" means a type of multiline telephone system designed to provide
15 exchange access services through shared exchange access lines or channels that typically appears
16 to offer direct line termination on a particular instrument.

17 (13) "Local government" has the meaning given that term in ORS 190.710.

18 (14) "Multiline telephone system" means a communications system, including network,
19 premises-based, PBX, hybrid and key telephone systems, that offers two or more telephone exchange
20 access lines and consists of a common control unit, instruments, control hardware and software and
21 adjunct systems installed at a subscriber's premises to support the 9-1-1 emergency reporting system.

22 (15) **"Prepaid wireless telecommunications service" means a telecommunications service**
23 **that provides the right to use mobile wireless service as well as other**
24 **nontelecommunications services including content, ancillary services and the download of**
25 **digital products delivered electronically that must be paid for in advance, and that is sold in**
26 **predetermined units or dollars.**

27 [(15)] (16) "Provider" means a utility or other vendor or supplier of telecommunications service
28 or equipment that provides telecommunications with access to the 9-1-1 emergency reporting system
29 through local exchange service, cellular service or other wired or wireless means.

30 [(16)] (17) "Public or private safety agency" means any unit of state or local government, a
31 special-purpose district or a private firm that provides or has authority to provide fire-fighting, po-
32 lice, ambulance or emergency medical services.

33 [(17)] (18) "Public safety answering point" means a 24-hour communications facility established
34 as an answering location for 9-1-1 calls originating within a given service area. A "primary public
35 safety answering point" receives all calls directly from the public. A "secondary public safety an-
36 swering point" only receives calls from a primary public safety answering point on a transfer or
37 relay basis.

38 [(18)] (19) "Subscriber" means a person who has telecommunication access to the 9-1-1 emer-
39 gency reporting system through local exchange service, cellular service or other wired or wireless
40 means.

41 [(19)] (20) "TTY" means a telephone-typewriter used by an individual with a hearing or speech
42 impairment to communicate with another device or individual.

43 [(20)] (21) "Utility" means a utility, as defined in ORS 759.005, a telecommunications carrier, as
44 defined in ORS 133.721, a municipality or any provider of exchange access services.

45 [(21)] (22) "Vendor" means a person providing telephone customer premises equipment or

1 equipment specific to the operation of enhanced 9-1-1 telephone service.

2 **(23) “Wireless telecommunications service” means commercial mobile radio service, as**
3 **defined in 47 C.F.R. 20.3.**

4 [(22)] **(24)** “9-1-1 emergency reporting system” means a telephone service that provides the users
5 of a public telephone system the ability to reach a primary public safety answering point by calling
6 9-1-1.

7 [(23)] **(25)** “9-1-1 jurisdiction” means:

8 (a) An entity created under ORS chapter 190;

9 (b) A county service district established under ORS chapter 451 to provide an emergency com-
10 munications system;

11 (c) An emergency communications district created under ORS 403.300 to 403.380; or

12 (d) A group of public or private safety agencies who have agreed in writing to jointly plan the
13 installation, maintenance, operation or improvement of a 9-1-1 emergency reporting system.

14 [(24)] **(26)** “9-1-1 service area” means the geographical area that contains the entire central of-
15 fice serving area from which the primary public safety answering point will have the capability to
16 answer calls placed to 9-1-1.

17 **SECTION 1a.** ORS 403.105, as amended by section 1 of this 2014 Act, is amended to read:

18 403.105. As used in ORS 305.823 and 403.105 to 403.250, unless the context requires otherwise:

19 (1) “Account” means the Emergency Communications Account.

20 (2) “Automatic location identification” means a component or capability of enhanced 9-1-1 tele-
21 phone service that provides automatic display in the designated public safety answering point of
22 geographic information about the location of the instrument used to originate an incoming 9-1-1 call.

23 (3) “Automatic number identification” means a component or capability of enhanced 9-1-1 tele-
24 phone service that provides automatic display in the designated public safety answering point of a
25 telephone number associated with the access line from which an incoming 9-1-1 call originates.

26 (4) “Call-back number” means a telephone number used by a primary public safety answering
27 point to contact the location from which an incoming 9-1-1 call originates.

28 (5) “Central office” means a utility that houses the switching and trunking equipment serving
29 telephones in a defined area.

30 **(6) “Consumer” means a person that purchases prepaid wireless telecommunications**
31 **service in a retail transaction.**

32 [(6)] **(7)** “Department” means the Department of Revenue.

33 [(7)] **(8)** “Emergency call” means a telephone request that results from a situation in which
34 prompt service is essential to preserve human life or property.

35 [(8)] **(9)** “Emergency response location identifier” means a component or capability of enhanced
36 9-1-1 telephone service that identifies a specific emergency response location.

37 [(9)] **(10)** “Enhanced 9-1-1 telephone service” means 9-1-1 telephone service consisting of a net-
38 work, database and on-premises equipment that provides automatic display in the designated public
39 safety answering point of a telephone number and geographic information about the location of the
40 instrument used to originate an incoming 9-1-1 call when the call is received.

41 [(10)] **(11)** “Exchange access services” means:

42 (a) Telephone exchange access lines or channels that provide local access by a **consumer or**
43 subscriber in this state to the local telecommunications network to effect the transfer of informa-
44 tion; and

45 (b) Unless a separate tariff rate is charged therefor, any facility or service provided in con-

1 nection with the services described in paragraph (a) of this subsection.

2 [(11)] (12) "Governing body" means the board of county commissioners of a county, city council
3 of a city, other governing body of a city or county, board of directors of a special district or a 9-1-1
4 jurisdiction.

5 (13) **"Interconnected Voice over Internet Protocol service" has the meaning given that**
6 **term in 47 C.F.R. 9.3, as amended on July 9, 2009. The Department of Revenue may by rule**
7 **adjust this definition to conform to subsequent amendments to 47 C.F.R. 9.3.**

8 [(12)] (14) "Key telephone system" means a type of multiline telephone system designed to pro-
9 vide exchange access services through shared exchange access lines or channels that typically ap-
10 pears to offer direct line termination on a particular instrument.

11 [(13)] (15) "Local government" has the meaning given that term in ORS 190.710.

12 [(14)] (16) "Multiline telephone system" means a communications system, including network,
13 premises-based, PBX, hybrid and key telephone systems, that offers two or more telephone exchange
14 access lines and consists of a common control unit, instruments, control hardware and software and
15 adjunct systems installed at a subscriber's premises to support the 9-1-1 emergency reporting system.

16 [(15)] (17) "Prepaid wireless telecommunications service" means a telecommunications service
17 that provides the right to use mobile wireless service as well as other nontelecommunications ser-
18 vices including content, ancillary services and the download of digital products delivered electron-
19 ically that must be paid for in advance, and that is sold in predetermined units or dollars.

20 [(16)] (18) "Provider" means a utility or other vendor or supplier of telecommunications service
21 or equipment that provides telecommunications with access to the 9-1-1 emergency reporting system
22 through local exchange service, cellular service or other wired or wireless means.

23 [(17)] (19) "Public or private safety agency" means any unit of state or local government, a
24 special-purpose district or a private firm that provides or has authority to provide fire-fighting, po-
25 lice, ambulance or emergency medical services.

26 [(18)] (20) "Public safety answering point" means a 24-hour communications facility established
27 as an answering location for 9-1-1 calls originating within a given service area. A "primary public
28 safety answering point" receives all calls directly from the public. A "secondary public safety an-
29 swering point" only receives calls from a primary public safety answering point on a transfer or
30 relay basis.

31 (21) **"Retail transaction" means each individual purchase, associated with an individual**
32 **access number or capable of being associated with an individual access number, of prepaid**
33 **wireless telecommunications service from a seller for any purpose other than resale.**

34 (22) **"Seller" means a person that sells prepaid wireless telecommunications service or**
35 **access to prepaid wireless telecommunications service to a consumer.**

36 [(19)] (23) "Subscriber" means a person [who] that has telecommunication access to the 9-1-1
37 emergency reporting system through local exchange service, cellular service or other wired or
38 wireless means. **"Subscriber" does not include a person that uses prepaid wireless telecom-**
39 **munications service.**

40 [(20)] (24) "TTY" means a telephone-typewriter used by an individual with a hearing or speech
41 impairment to communicate with another device or individual.

42 [(21)] (25) "Utility" means a utility, as defined in ORS 759.005, a telecommunications carrier, as
43 defined in ORS 133.721, a municipality or any provider of exchange access services.

44 [(22)] (26) "Vendor" means a person providing telephone customer premises equipment or
45 equipment specific to the operation of enhanced 9-1-1 telephone service.

1 [(23)] (27) “Wireless telecommunications service” means commercial mobile radio service, as
2 defined in 47 C.F.R. 20.3.

3 [(24)] (28) “9-1-1 emergency reporting system” means a telephone service that provides the users
4 of a public telephone system the ability to reach a primary public safety answering point by calling
5 9-1-1.

6 [(25)] (29) “9-1-1 jurisdiction” means:

7 (a) An entity created under ORS chapter 190;

8 (b) A county service district established under ORS chapter 451 to provide an emergency com-
9 munications system;

10 (c) An emergency communications district created under ORS 403.300 to 403.380; or

11 (d) A group of public or private safety agencies who have agreed in writing to jointly plan the
12 installation, maintenance, operation or improvement of a 9-1-1 emergency reporting system.

13 [(26)] (30) “9-1-1 service area” means the geographical area that contains the entire central of-
14 fice serving area from which the primary public safety answering point will have the capability to
15 answer calls placed to 9-1-1.

16 **SECTION 2.** ORS 403.110 is amended to read:

17 403.110. (1) A provider or a 9-1-1 jurisdiction or the employees or agents of a provider or a 9-1-1
18 jurisdiction may be held civilly liable for the installation, performance, provision or maintenance of
19 a 9-1-1 emergency reporting system or enhanced 9-1-1 telephone service if the provider or the 9-1-1
20 jurisdiction or the employees or agents of the provider or the 9-1-1 jurisdiction act with willful or
21 wanton conduct. This section does not affect any liability a 9-1-1 jurisdiction may have for operator
22 or operator-supervisor negligence in receiving calls from the public and dispatching emergency ser-
23 vices to the public.

24 **(2) A provider or seller is not liable for damages that result from providing or failing to**
25 **provide access to the 9-1-1 emergency reporting system or from identifying or failing to**
26 **identify the telephone number, address, location or name associated with any person or de-**
27 **vice accessing or attempting to access the 9-1-1 emergency reporting system.**

28 **SECTION 2a.** The amendments to ORS 403.105 and 403.110 by sections 1a and 2 apply to
29 **telecommunications service or interconnected Voice over Internet Protocol service, as de-**
30 **defined in ORS 403.105, provided on or after October 1, 2015.**

31 **SECTION 3.** ORS 403.200 is amended to read:

32 403.200. (1) There is imposed on each paying retail subscriber who has telecommunication ser-
33 vices with access to the 9-1-1 emergency reporting system a tax equal to 75 cents per month. The
34 tax must be applied on a telecommunications circuit designated for a particular subscriber. One
35 subscriber line must be counted for each circuit that is capable of generating usage on the line side
36 of the switched network regardless of the quantity or ownership of customer premises equipment
37 connected to each circuit. For providers of central office based services, the tax must be applied to
38 each line that has unrestricted connection to the switched network. Those central office based ser-
39 vice lines that have restricted connection to the switched network must be charged based on soft-
40 ware design in the central office that restricts the number of station calls to and from the network.
41 For cellular, wireless or other radio common carriers, the tax applies on a per instrument basis and
42 only if the subscriber’s place of primary use, as defined and determined under 4 U.S.C. 116 to 126,
43 is within this state.

44 (2) The subscriber is liable for the tax imposed by this section.

45 (3) The amounts of tax collected by the provider are considered as payment by the subscriber

1 for that amount of tax.

2 (4) Any return made by the provider collecting the tax must be accepted by the Department of
3 Revenue as evidence of payments by the subscriber of amounts of tax so indicated upon the return.

4 **(5) The tax imposed under subsection (1) of this section does not apply to prepaid wireless**
5 **telecommunications service provided on or after January 1, 2015.**

6 **SECTION 3a.** ORS 403.200, as amended by section 3 of this 2014 Act, is amended to read:

7 403.200. (1) There is imposed on each **consumer or** paying retail subscriber who has [*telecom-*
8 *munication services*] **telecommunications service or interconnected Voice over Internet Proto-**
9 **col service**, with access to the 9-1-1 emergency reporting system a tax equal to 75 cents per month
10 **or, for prepaid wireless telecommunications service, 75 cents per retail transaction.** The tax
11 must be applied on a telecommunications circuit designated for a particular **consumer or** sub-
12 scriber. One **consumer or** subscriber line must be counted for each circuit that is capable of gen-
13 erating usage on the line side of the switched network regardless of the quantity or ownership of
14 customer premises equipment connected to each circuit. For providers of central office based ser-
15 vices, the tax must be applied to each line that has unrestricted connection to the switched network.
16 Those central office based service lines that have restricted connection to the switched network
17 must be charged based on software design in the central office that restricts the number of station
18 calls to and from the network. For cellular, wireless or other radio common carriers, the tax applies
19 **to a subscriber** on a per instrument basis and only if the subscriber's place of primary use, as de-
20 fined [*and determined*] under 4 U.S.C. [*116 to 126*] **124**, is within this state.

21 (2) The **consumer or** subscriber is liable for the tax imposed by this section.

22 (3) The amounts of tax collected by the provider **or seller** are considered as payment by the
23 **consumer or** subscriber for that amount of tax.

24 **(4) The tax imposed under this section, as it applies to prepaid wireless telecommuni-**
25 **cations service, shall be collected by the seller from the consumer with respect to each retail**
26 **transaction occurring in this state. The amount of the tax shall be separately stated on an**
27 **invoice, receipt or other similar document that the seller provides to the consumer, or shall**
28 **be otherwise disclosed to the consumer.**

29 **(5) For purposes of this section, a retail transaction:**

30 **(a) Occurs in this state if it is made in person by a consumer at a business location of**
31 **the seller;**

32 **(b) If not made in person by a consumer at a business location of the seller, occurs in**
33 **this state if the consumer's shipping address, payment instrument billing address, or other**
34 **address provided by the consumer for purposes of the transaction, is in this state; or**

35 **(c) If insufficient information exists to determine whether paragraph (a) or (b) of this**
36 **subsection is accurate, occurs in this state if the consumer's prepaid wireless telephone**
37 **number is associated with an Oregon location.**

38 [~~4~~] **(6)** Any return made by the provider **or seller** collecting the tax must be accepted by the
39 Department of Revenue as evidence of payments by the **consumer or** subscriber of amounts of tax
40 so indicated upon the return.

41 [~~5~~] *The tax imposed under subsection (1) of this section does not apply to prepaid wireless tele-*
42 *communications service provided on or after January 1, 2015.]*

43 **SECTION 4.** ORS 403.210 is amended to read:

44 403.210. Every provider **or seller** responsible for the collection of the tax imposed by ORS
45 403.200 to 403.230 shall keep records, render statements, make returns and comply with rules

1 adopted by the Department of Revenue with respect to the tax. Whenever in the judgment of the
 2 department it is necessary, the department may require the provider, **seller, consumer** or sub-
 3 scriber, by notice served upon that person by first-class mail, to make returns, render statements
 4 or keep records sufficient to show whether there is tax liability under ORS 403.200 to 403.230.

5 **SECTION 5.** ORS 403.215 is amended to read:

6 403.215. (1) The provider **or seller** is responsible for collecting the tax under ORS 403.200 and
 7 shall file a return with the Department of Revenue on or before the last day of the month following
 8 the end of each calendar quarter, reporting the amount of tax due for access to the 9-1-1 emergency
 9 reporting system during the quarter. The department shall prescribe the form of the return required
 10 by this section and ORS 403.210. The rules of the department must require that returns be made
 11 under penalties for false swearing.

12 (2) When a return of the tax is required under ORS 403.210 or subsection (1) of this section, the
 13 provider **or seller** required to make the return shall remit the tax due to the department at the time
 14 fixed for filing the return.

15 (3) A provider **or seller** described in subsection (1) of this section may elect to pay the tax based
 16 on either of the following:

17 (a) The amount of tax actually collected during the quarter; or

18 (b) The net amount of tax billed during the quarter. The net amount billed equals the gross
 19 amount of tax billed less adjustments for uncollectible accounts, refunds, incorrect billings and other
 20 appropriate adjustments.

21 (4) Once a provider **or seller** has made an election under subsection (3) of this section, the
 22 provider **or seller** may not change the method of payment and reporting unless the provider **or**
 23 **seller** first obtains the permission of the department.

24 **SECTION 5a.** (1) **For the purpose of compensating sellers for expenses incurred in col-**
 25 **lecting the tax imposed under ORS 403.200, each seller is permitted to deduct and retain two**
 26 **percent of the amount of taxes that are collected by the seller from all retail transactions**
 27 **conducted by the seller in this state.**

28 (2) **Subsection (1) of this section applies to retail transactions made on or after October**
 29 **1, 2015, and before January 1, 2022.**

30 **SECTION 6.** ORS 403.220 is amended to read:

31 403.220. (1) If the amount paid by the provider **or seller** to the Department of Revenue under
 32 ORS 403.215 exceeds the amount of tax payable, the department shall refund the amount of the ex-
 33 cess with interest thereon at the rate established under ORS 305.220 for each month or fraction of
 34 a month from the date of payment of the excess until the date of the refund. The department may
 35 not make a refund to a provider **or seller** who fails to claim the refund within two years after the
 36 due date for filing of the return with respect to which the claim for refund relates.

37 (2) A **consumer or** subscriber's exclusive remedy in a dispute involving tax liability is to file
 38 a claim with the department.

39 **SECTION 7.** ORS 403.225 is amended to read:

40 403.225. (1) Every provider **or seller** required to collect the tax imposed by ORS 403.200 to
 41 403.230 is deemed to hold the same in trust for the State of Oregon and for the payment thereof to
 42 the Department of Revenue in the manner and at the time provided by ORS 403.215.

43 (2) If the provider **or seller** required to collect the tax fails to remit any amount deemed to be
 44 held in trust for the State of Oregon or if the **consumer or** subscriber fails to pay the tax, the de-
 45 partment may enforce collection by the issuance of a distraint warrant for the collection of the de-

1 linquent amount and all penalties, interest and collection charges accrued thereon. The warrant is
 2 issued and proceeded upon in the same manner and has the same force and effect as is prescribed
 3 with respect to warrants for the collection of delinquent income taxes.

4 **SECTION 8.** ORS 403.230 is amended to read:

5 403.230. (1) Unless the context requires otherwise, the provisions of ORS chapters 305, 314 and
 6 316 as to the audit and examination of reports and returns, determination of deficiencies, assess-
 7 ments, claims for refunds, penalties, interest, jeopardy assessments, warrants, conferences and ap-
 8 peals to the Oregon Tax Court, and procedures relating thereto, apply to ORS 403.200 to 403.230 the
 9 same as if the tax were a tax imposed upon or measured by net income. The provisions apply to the
 10 **consumer or** subscriber liable for the tax and to the provider **or seller** required to collect the tax.
 11 As to any amount collected and required to be remitted to the Department of Revenue, the tax is
 12 considered a tax upon the provider **or seller** required to collect the tax and that provider **or seller**
 13 is considered a taxpayer.

14 (2) Notwithstanding ORS 314.835 and 314.840, the Department of Revenue may disclose infor-
 15 mation received under ORS 403.200 to 403.230 to the Public Utility Commission to carry out the
 16 provisions of chapter 290, Oregon Laws 1987.

17 (3) The Public Utility Commission may disclose information obtained pursuant to chapter 290,
 18 Oregon Laws 1987, to the Department of Revenue to administer the tax imposed under ORS 403.200
 19 to 403.230.

20 **SECTION 8a. The amendments to statutes by sections 3a to 5 and 6 to 8 apply to tele-**
 21 **communications service or interconnected Voice over Internet Protocol service, as defined**
 22 **in ORS 403.105, provided on or after October 1, 2015.**

23 **SECTION 9.** Section 4, chapter 5, Oregon Laws 2002 (first special session), as amended by sec-
 24 tion 1, chapter 4, Oregon Laws 2002 (third special session), section 1, chapter 629, Oregon Laws
 25 2007, and section 1, chapter 749, Oregon Laws 2013, is amended to read:

26 **Sec. 4.** Taxes imposed under ORS 403.200 apply to subscriber bills issued on or after January
 27 1, 2002, and before January 1, 2022, **and to retail transactions made on or after October 1, 2015,**
 28 **and before January 1, 2022.**

29 **SECTION 10.** Sections 5a, 11 to 13 and 13b of this 2014 Act are added to and made a part
 30 of ORS 403.200 to 403.230.

31 **SECTION 11.** The Legislative Assembly finds and declares that:

32 (1) ORS 403.200 to 403.230, as those sections were amended and in effect prior to the ef-
 33 fective date of this 2014 Act, imposed a tax under ORS 403.200 equally on all forms of wireless
 34 telecommunications service and on other types of telecommunications service;

35 (2) Sections 5a, 11a, 12 and 13 of this 2014 Act and the amendments to ORS 403.105,
 36 403.110, 403.200, 403.210, 403.215, 403.220, 403.225, 403.230 and 403.240 and section 4, chapter 5,
 37 Oregon Laws 2002 (first special session), by sections 1 to 2, 3 to 5, 6 to 8, 9 and 14 of this 2014
 38 Act do not have retroactive application to periods before the effective date of this 2014 Act;
 39 and

40 (3) The intent of the Legislative Assembly in enacting this 2014 Act is to facilitate ad-
 41 ministration of collection of taxes under ORS 403.200 to 403.230.

42 **SECTION 11a.** (1) There is imposed on each provider of prepaid wireless telecommuni-
 43 cations service a transitional 9-1-1 tax for each customer of prepaid wireless telecommuni-
 44 cations service equal to 75 cents per month for each customer with a mobile telephone
 45 number associated with an Oregon location.

1 (2) The amount of the tax to be paid by a provider subject to subsection (1) of this section
2 shall be determined using one of the following two methods, as elected by the provider:

3 (a) The provider shall remit the tax specified in subsection (1) of this section for each
4 customer whose account balance on the last day of the month is equal to or greater than the
5 amount of the tax specified in subsection (1) of this section; or

6 (b) The provider shall divide its total earned monthly prepaid wireless telecommuni-
7 cations service revenue in Oregon for all customers by \$50 and multiply the quotient by the
8 amount of the tax imposed under subsection (1) of this section.

9 (3) The provider shall remit all amounts owed under this section to the Department of
10 Revenue on or before the last day of the month following the calendar quarter for which the
11 amount has been determined.

12 (4) The department may adopt rules to implement the provisions of this section, including
13 rules that define terms consistently with the provisions of this section.

14 (5) As used in this section, "provider" is limited to a provider of prepaid wireless tele-
15 communications service.

16 **SECTION 11b.** Section 11a of this 2014 Act applies to providers of prepaid wireless tele-
17 communications service provided on and after January 1, 2015, and before October 1, 2015.

18 **SECTION 12.** Any consumer subject to the tax imposed under ORS 403.200 and from
19 whom the tax has not been collected shall, on or before the 20th day of the month following
20 the close of the calendar year in which the tax is due, file with the Department of Revenue
21 a report of the amount of tax due from the consumer in the preceding tax year in the detail
22 and form as prescribed by the department, submitting with the report the amount of tax due.

23 **SECTION 13.** The Department of Revenue shall establish by rule policies and procedures
24 for the administration of the provisions of ORS 403.200 to 403.230, including policies and
25 procedures for the collection of the tax imposed under ORS 403.200 by providers required to
26 collect the tax imposed on interconnected Voice over Internet Protocol service.

27 **SECTION 13a.** Sections 12 and 13 of this 2014 Act apply to telecommunications service
28 or interconnected Voice over Internet Protocol service, as defined in ORS 403.105, provided
29 on or after October 1, 2015.

30 **SECTION 13b.** On or before February 15, 2017, the Department of Revenue shall report
31 to a committee of the Legislative Assembly related to revenue regarding the collection at
32 retail transactions of the taxes imposed under ORS 403.200 to 403.230. The report shall detail
33 the effectiveness of the provisions of ORS 403.200 to 403.230, as enforced by the department,
34 in collecting the required tax from all consumers and subscribers with access to the 9-1-1
35 emergency reporting system. The department shall include in the report an estimate of the
36 amount of revenue received by the department on or after October 1, 2015, that is attribut-
37 able to the operation of sections 5a, 12 and 13 of this 2014 Act and the amendments to ORS
38 403.105, 403.110, 403.200, 403.210, 403.215, 403.220, 403.225, 403.230 and 403.240 and section 4,
39 chapter 5, Oregon Laws 2002 (first special session), by sections 1 to 2, 3a to 5 and 6 to 8, 9
40 and 14 of this 2014 Act.

41 **SECTION 14.** ORS 403.240 is amended to read:

42 403.240. (1) The Office of Emergency Management shall distribute quarterly the entire amount
43 of the moneys in the Emergency Communications Account. The office shall pay the following
44 amounts from the account:

45 (a) Administrative costs incurred during the preceding calendar quarter by the Department of

1 Revenue in carrying out ORS 403.200 to 403.230 in an amount that does not exceed [*one-half of*] one
2 percent of the amount in the account on the date of distribution, or actual expenses incurred by the
3 department, whichever is less.

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

10 (2) The office may:

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

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

17 (3) The office shall use funds in the Enhanced 9-1-1 Subaccount to pay for costs incurred during
18 the preceding calendar quarter for enhanced 9-1-1 telephone service established pursuant to ORS
19 403.115. The office may not disburse funds in the Enhanced 9-1-1 Subaccount to a 9-1-1 jurisdiction
20 that does not have an approved final plan as required in section 7, chapter 743, Oregon Laws 1991.
21 The office shall make payments for reimbursement only after a reimbursement request has been
22 submitted to the office in the manner prescribed by the office. Reimbursement requests for recurring
23 and nonrecurring charges necessary to enable the 9-1-1 jurisdiction to comply with ORS 403.115
24 must be submitted directly to the office. The costs reimbursable under this subsection are only those
25 incurred for:

- 26 (a) Modification of central office switching and trunking equipment;
- 27 (b) Network development, operation and maintenance;
- 28 (c) Database development, operation and maintenance;
- 29 (d) On-premises equipment procurement, maintenance and replacement;
- 30 (e) Conversion of pay station telephones required by ORS 403.140;
- 31 (f) Collection of the tax imposed by ORS 403.200 to 403.230; and
- 32 (g) Addressing if the reimbursement request is consistent with rules adopted by the office.

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

41 (5) 9-1-1 jurisdictions may use funds distributed to the jurisdiction from any account described
42 in ORS 403.235 to repay loans from the Special Public Works Fund if the loans were used for pur-
43 poses that are allowable under ORS 403.105 to 403.250.

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

1 (5) of this section.

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

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

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

15 (10) 9-1-1 jurisdictions shall submit an accounting report to the office annually. The report must
16 be provided in the manner prescribed by the office and must include but not be limited to:

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

19 (b) Local funds received and expended for the purposes of fulfilling the requirements of ORS
20 403.115; and

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

23 **SECTION 15. The amendments to ORS 403.240 by section 14 of this 2014 Act apply to**
24 **calendar quarters ending on or after the effective date of this 2014 Act.**

25 **SECTION 16. This 2014 Act takes effect on the 91st day after the date on which the 2014**
26 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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