

House Bill 4055

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 **as introduced**.

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. 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 403.200
3 and 403.240; 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 2014 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 September 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 2014 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 is amended to read:**

24 403.240. (1) The Office of Emergency Management shall distribute quarterly the entire amount
25 of the moneys in the Emergency Communications Account. The office shall pay the following
26 amounts from the account:

27 (a) Administrative costs incurred during the preceding calendar quarter by the Department of
28 Revenue in carrying out ORS 403.200 to 403.230 in an amount that does not exceed [*one-half*]

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 **three-quarters** of one percent of the amount in the account on the date of distribution, or actual
 2 expenses incurred by the department, whichever is less.

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

9 (2) The office may:

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

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

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

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

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

40 (5) 9-1-1 jurisdictions may use funds distributed to the jurisdiction from any account described
 41 in ORS 403.235 to repay loans from the Special Public Works Fund if the loans were used for pur-
 42 poses that are allowable under ORS 403.105 to 403.250.

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

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

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

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

14 (10) 9-1-1 jurisdictions shall submit an accounting report to the office annually. The report must
 15 be provided in the manner prescribed by the office and must include but not be limited to:

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

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

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

22 **SECTION 6.** ORS 403.200 is amended to read:

23 403.200. (1) There is imposed on each paying retail subscriber who has telecommunication ser-
 24 vices with access to the 9-1-1 emergency reporting system a tax equal to 75 cents per month. The
 25 tax must be applied on a telecommunications circuit designated for a particular subscriber. One
 26 subscriber line must be counted for each circuit that is capable of generating usage on the line side
 27 of the switched network regardless of the quantity or ownership of customer premises equipment
 28 connected to each circuit. For providers of central office based services, the tax must be applied to
 29 each line that has unrestricted connection to the switched network. Those central office based ser-
 30 vice lines that have restricted connection to the switched network must be charged based on soft-
 31 ware design in the central office that restricts the number of station calls to and from the network.
 32 For cellular, wireless or other radio common carriers, the tax applies on a per instrument basis and
 33 only if the subscriber's place of primary use, as defined [*and determined*] under 4 U.S.C. [*116 to*
 34 *126*] **124**, is within this state.

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

36 (3) The amounts of tax collected by the provider are considered as payment by the subscriber
 37 for that amount of tax.

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

40 **SECTION 7. The amendments to ORS 403.240 by section 5 of this 2014 Act apply to cal-**
 41 **endar quarters ending on or after the effective date of this 2014 Act.**

42 **SECTION 8. This 2014 Act takes effect on the 91st day after the date on which the 2014**
 43 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**