

House Bill 2449

Sponsored by Representatives FINDLEY, LIVELY, MARSH (Presession filed.)

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**.

Increases rate of tax for emergency communications.

Increases amount of distribution from Emergency Communications Account to counties with population under 40,000.

A BILL FOR AN ACT

1
2 Relating to tax for emergency communications; amending ORS 403.200 and 403.240; and providing for
3 revenue raising that requires approval by a three-fifths majority.

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

5 **SECTION 1.** ORS 403.200 is amended to read:

6 403.200. (1) There is imposed on each consumer or paying retail subscriber who has telecom-
7 munications service or interconnected Voice over Internet Protocol service, with access to the
8 emergency communications system a tax equal to *[75 cents]* **\$1.50** per month or, for prepaid wireless
9 telecommunications service, *[75 cents]* **\$1.50** per retail transaction. The tax must be applied on a
10 telecommunications circuit designated for a particular consumer or subscriber. One consumer or
11 subscriber line must be counted for each circuit that is capable of generating usage on the line side
12 of the switched network regardless of the quantity or ownership of customer premises equipment
13 connected to each circuit. For providers of central office based services, the tax must be applied to
14 each line that has unrestricted connection to the switched network. Those central office based ser-
15 vice lines that have restricted connection to the switched network must be charged based on soft-
16 ware design in the central office that restricts the number of station calls to and from the network.
17 For cellular, wireless or other common carriers, the tax applies to a subscriber on a per instrument
18 basis and only if the subscriber's place of primary use, as defined under 4 U.S.C. 124, is within this
19 state.

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

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

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

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

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

30 (b) If not made in person by a consumer at a business location of the seller, occurs in this state
31 if the consumer's shipping address, payment instrument billing address, or other address provided

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 by the consumer for purposes of the transaction, is in this state; or

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

5 (6) Any return made by the provider or seller collecting the tax must be accepted by the De-
6 partment of Revenue as evidence of payments by the consumer or subscriber of amounts of tax so
7 indicated upon the return.

8 **SECTION 2.** ORS 403.240 is amended to read:

9 403.240. (1) The Office of Emergency Management shall distribute quarterly the entire amount
10 of the moneys in the Emergency Communications Account. The office shall pay the following
11 amounts from the account:

12 (a) Administrative costs incurred during the preceding calendar quarter by the Department of
13 Revenue in carrying out ORS 403.200 to 403.230 in an amount that does not exceed one percent of
14 the amount in the account on the date of distribution, or actual expenses incurred by the depart-
15 ment, whichever is less.

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

22 (2) The office may:

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

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

29 (3) The office shall use funds in the 9-1-1 Subaccount to pay for costs incurred during the pre-
30 ceding calendar quarter for emergency communications services provided by a 9-1-1 jurisdiction un-
31 der ORS 403.105 to 403.250. The office may not disburse funds in the 9-1-1 Subaccount to a 9-1-1
32 jurisdiction that does not have an approved 9-1-1 jurisdiction plan under ORS 403.130. The office
33 shall make payments for costs of the emergency communications system on behalf of a 9-1-1 juris-
34 diction, or make reimbursement to the 9-1-1 jurisdiction for such costs, only after a reimbursement
35 or payment request has been submitted to the office in the manner prescribed by the office. Re-
36 imbursement or payment requests for recurring and nonrecurring charges necessary to enable the
37 9-1-1 jurisdiction to comply with ORS 403.105 to 403.250 must be submitted directly to the office. The
38 costs reimbursable or payable under this subsection are only those costs incurred for:

39 (a) Modification of network routers or servers, central office switching and trunking equipment
40 or other transport equipment;

41 (b) Network development, hosting services, operation and maintenance;

42 (c) Database development, operation and maintenance;

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

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

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

1 (g) Addressing if the reimbursement or payment request is consistent with rules adopted by the
 2 office; and

3 (h) An employee of a 9-1-1 jurisdiction obtaining certification as a telecommunicator or emer-
 4 gency medical dispatcher from the Department of Public Safety Standards and Training under ORS
 5 181A.560.

6 (4) Subject to availability of funds, the office shall provide funding to 9-1-1 jurisdictions based
 7 on cost information provided in their final plan under ORS 403.130. The office shall approve 9-1-1
 8 jurisdiction plans that meet the requirements set forth in ORS 403.115 (2) and (4). The office shall
 9 limit funding for costs incurred prior to the preceding calendar quarter to charges associated with
 10 database development, network and on-premises equipment that satisfies the requirements of ORS
 11 403.115 (2) and (4). The office shall prescribe the manner in which funding is provided under this
 12 subsection.

13 (5) 9-1-1 jurisdictions may use funds distributed to the jurisdiction from an account or subac-
 14 count established in ORS 403.235 to repay loans from the Special Public Works Fund if the loans
 15 were used for purposes that are allowable under ORS 403.105 to 403.250.

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

19 (7) The office shall review reimbursement or payment requests for costs identified in subsection
 20 (3) of this section, necessary to comply with ORS 403.105 to 403.250, for the appropriateness of the
 21 costs claimed. The office shall approve or reject the reimbursement or payment requests.

22 (8) After all amounts under subsections (1) and (2) of this section and ORS 403.235 (2) have been
 23 paid, the office shall allocate the balance of the Emergency Communications Account to cities on
 24 a per capita basis and to counties on a per capita basis of each county's unincorporated area for
 25 distribution directly to 9-1-1 jurisdictions as directed by the city or county. However[,]:

26 (a) Each county **with a population of 40,000 or more** must be credited a minimum of one
 27 percent of the balance of the account after the amounts under subsections (1) and (2) of this section
 28 and ORS 403.235 (2) have been paid[.]; **and**

29 (b) **Each county with a population of less than 40,000 must be credited a minimum of two**
 30 **percent of the balance of the account after the amounts under subsections (1) and (2) of this**
 31 **section and ORS 403.235 (2) have been paid.**

32 (9) 9-1-1 jurisdictions shall submit an accounting report to the office annually. The report must
 33 be provided in the manner prescribed by the office and must include but not be limited to:

34 (a) Funds received and expended under subsection (8) of this section for the purposes of fulfilling
 35 the requirements of ORS 403.115;

36 (b) Local funds received and expended for the purposes of fulfilling the requirements of ORS
 37 403.115; and

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

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