

SENATE BILL NO. 30—SENATOR MCGINNESS

PREFILED FEBRUARY 3, 2005

Referred to Committee on Government Affairs

SUMMARY—Authorizes certain cities to impose surcharge on telephone services for enhancement of telephone system for reporting emergencies. (BDR 21-740)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets **[omitted-material]** is material to be omitted.

AN ACT relating to city improvements; providing for the imposition and collection of a surcharge on telephone services for the enhancement of the telephone system for reporting emergencies in certain incorporated cities; requiring a city council which imposes such a surcharge to create an advisory committee to develop a plan for the enhancement of the city's telephone service for reporting emergencies; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes certain counties to collect a surcharge on local telephone service and mobile telephone service to enhance 911 service in the county. (NRS 244A.7641-244A.7647)

This bill authorizes the city council of certain cities incorporated by general law to impose and provide for the collection of such a surcharge in order to enhance 911 service in the city.

This bill requires that if a city council which imposes such a surcharge also imposes a business license fee on a provider of personal wireless service, the city treasurer must deposit the money generated from the fees into the special revenue fund created for the enhancement of the 911 service in the city. This bill also provides a mechanism for resolving disputes between a customer and telephone service provider over the amount collected for the surcharge.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 266 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this act.

Sec. 2. *As used in sections 2 to 11, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 6, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Mobile telephone service” means cellular or other service to a telephone which is installed in a vehicle or which is otherwise portable.*

Sec. 4. *“Place of primary use” has the meaning ascribed to it in 4 U.S.C. § 124(8), as that section existed on August 1, 2002.*

Sec. 5. *“Supplier” means a person authorized by the Federal Communications Commission to provide mobile telephone service.*

Sec. 6. *“Trunk line” means a line which provides a channel between a switchboard owned by a customer of a telephone company and the local exchange of the telephone company.*

Sec. 7. 1. *Except as otherwise provided in this section, the city council of a city of population category two or three in a county whose population is 400,000 or more may, by ordinance, impose a surcharge on:*

(a) Each access line or trunk line of each customer to the local exchange of any telephone company providing those lines in the city; and

(b) The mobile telephone service provided to each customer of that service whose place of primary use is in the city, for the enhancement of the telephone system for reporting an emergency in the city.

2. *A city council may not impose a surcharge pursuant to this section unless the city council first adopts a 5-year master plan for the enhancement of the telephone system for reporting emergencies in the city. The master plan must include an estimate of the cost of the enhancement of the telephone system and all proposed sources of money for funding the enhancement.*

3. *The surcharge imposed by a city council pursuant to this section:*

(a) For each access line to the local exchange of a telephone company, must not exceed 25 cents each month during the first year the surcharge is collected, and may not increase by more than 2 percent each year thereafter;

(b) For each trunk line to the local exchange of a telephone company, must equal 10 times the amount of the surcharge



1 imposed for each access line to the local exchange of a telephone
2 company pursuant to paragraph (a); and

3 (c) For each telephone number assigned to a customer by a
4 supplier of mobile telephone service, must equal the amount of the
5 surcharge imposed for each access line to the local exchange of a
6 telephone company pursuant to paragraph (a).

7 4. A telephone company which provides access lines or trunk
8 lines in a city that imposes a surcharge pursuant to this section or
9 a supplier which provides mobile telephone service to a customer
10 in such a city shall collect the surcharge from its customers each
11 month. Except as otherwise provided in section 11 of this act, the
12 telephone company or supplier shall remit the surcharge it collects
13 to the treasurer of the city in which the surcharge is imposed not
14 later than the 15th day of the month after the month it receives
15 payment of the surcharge from its customers.

16 5. An ordinance adopted pursuant to subsection 1 may
17 include a schedule of penalties for the delinquent payment of
18 amounts due from telephone companies or suppliers pursuant to
19 this section. Such a schedule:

20 (a) Must provide for a grace period of not less than 90 days
21 after the date on which the telephone company or supplier must
22 otherwise remit the surcharge to the city treasurer; and

23 (b) Must not provide for a penalty that exceeds 5 percent of the
24 cumulative amount of surcharges owed by a telephone company
25 or a supplier.

26 Sec. 8. If a city council imposes a surcharge pursuant to
27 section 7 of this act, the city council shall:

28 1. Establish by ordinance an advisory committee to develop a
29 plan, consistent with the master plan adopted by the city council
30 pursuant to section 7 of this act, to enhance the telephone system
31 for reporting an emergency in the city and to oversee any money
32 allocated for that purpose. The advisory committee must consist of
33 not less than five members who:

34 (a) Are residents of the city;

35 (b) Possess knowledge concerning telephone systems for
36 reporting emergencies; and

37 (c) Are not elected public officers.

38 ➤ At least one member of an advisory committee established
39 pursuant to this section must be a representative of an incumbent
40 local exchange carrier that provides service to persons in that city.
41 As used in this subsection, "incumbent local exchange carrier"
42 has the meaning ascribed to it in 47 U.S.C. § 251(h)(1), as that
43 section existed on October 1, 1999, and includes a local exchange
44 carrier that is treated as an incumbent local exchange carrier
45 pursuant to that section.



2. Create a special revenue fund of the city for the deposit of the money collected pursuant to section 7 of this act. The money in the fund must be used only to enhance the telephone system for reporting an emergency so that the number and address from which a call received by the system is made may be determined, including only:

(a) Paying recurring and nonrecurring charges for telecommunication services necessary for the operation of the enhanced telephone system;

(b) Paying costs for the personnel and training associated with the routine maintenance and updating of the database for the enhanced telephone system;

(c) Purchasing, leasing or renting the equipment and software necessary to operate the enhanced telephone system; and

(d) Paying costs associated with any maintenance, upgrade and replacement of equipment and software necessary for the operation of the enhanced telephone system.

3. If the balance in a fund created pursuant to subsection 2 that has not been committed for expenditure exceeds \$500,000 at the end of any fiscal year, reduce the amount of the surcharge imposed during the next fiscal year by the amount necessary to ensure that the unencumbered balance in the fund at the end of the next fiscal year does not exceed \$500,000.

Sec. 9. 1. If a city council imposes a surcharge pursuant to section 7 of this act and the city council also imposes a fee on a provider of personal wireless service and the fee is a fee for a business license which is regulated pursuant to NRS 354.59881 to 354.59889, inclusive, the city treasurer shall, except as otherwise provided in this section, deposit the money generated from that fee, including any penalty and interest assessed pursuant to NRS 354.59887, into the special revenue fund.

2. A city treasurer shall not deposit any money into the special revenue fund pursuant to this section if the deposit of the money would cause the unencumbered balance in the special revenue fund to exceed the maximum allowable balance for the fund set forth in section 8 of this act. A city treasurer shall ensure that any amount of money not deposited into the special revenue fund is otherwise deposited or transferred in accordance with the applicable law or ordinance.

3. As used in this section:

(a) "Personal wireless service" has the meaning ascribed to it in NRS 354.598816.

(b) "Special revenue fund" means the special revenue fund created pursuant to section 8 of this act.



1 **Sec. 10. 1.** *If a customer of a supplier of mobile telephone*
2 *service believes that the amount of a surcharge imposed pursuant*
3 *to section 7 of this act or the designation of a place of primary use*
4 *is incorrect, the customer may notify the supplier of mobile*
5 *telephone service in writing of the alleged error. The notice must*
6 *include:*

7 *(a) The street address for the place of primary use of the*
8 *customer;*

9 *(b) The account number and name shown on the billing*
10 *statement of the account for which the customer alleges the error;*

11 *(c) A description of the alleged error; and*

12 *(d) Any other information which the supplier of mobile*
13 *telephone service may reasonably require to investigate the alleged*
14 *error.*

15 **2.** *Within 60 days after receiving a notice sent pursuant to*
16 *subsection 1, the supplier of mobile telephone service shall review*
17 *the records that the supplier of mobile telephone service uses to*
18 *determine the place of primary use of its customers.*

19 **3.** *If the review indicates:*

20 *(a) That the alleged error exists, the supplier of mobile*
21 *telephone service shall correct the error and refund or credit the*
22 *customer for the amount which was erroneously collected for the*
23 *applicable period, not to exceed the 24 months immediately*
24 *preceding the date on which the customer notified the supplier of*
25 *mobile telephone service of the alleged error.*

26 *(b) That no error exists, the supplier of mobile service shall*
27 *provide a written explanation to the customer who alleged the*
28 *error.*

29 **4.** *A customer may not bring an action against a supplier of*
30 *mobile telephone service for surcharges incorrectly imposed*
31 *pursuant to section 7 of this act unless he first complies with this*
32 *section.*

33 **Sec. 11.** *A telephone company or supplier that collects the*
34 *surcharge imposed pursuant to section 7 of this act is entitled to*
35 *retain an amount of the surcharge collected which is equal to the*
36 *cost of collecting the surcharge.*

37 **Sec. 12.** *This act becomes effective upon passage and*
38 *approval.*



