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THIRD REPRINT **S.B. 30**

SENATE BILL NO. 30–SENATOR MCGINNESS

PREFILED FEBRUARY 3, 2005

Referred to Committee on Government Affairs

SUMMARY—Authorizes certain cities to impose surcharge on access lines and trunk lines of telephone companies 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 access lines and trunk lines of telephone companies 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 a surcharge on access lines and trunk lines of telephone companies to enhance 911 service in the city.

This bill requires that a city council which imposes such a surcharge must first adopt a 5-year master plan for the enhancement of the 911 service in the city.

* S B 3 0 R 3 *

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 5, inclusive, of this act.

Sec. 2. ***As used in sections 2 to 5, inclusive, of this act, unless the context otherwise requires, "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. 3. ***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 each access line or trunk line of each customer to the local exchange of any telephone company providing those lines 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; and

(b) For each trunk line to the local exchange of a telephone company, must equal 10 times the amount of the surcharge imposed for each access line to the local exchange of a telephone company pursuant to paragraph (a).

4. A telephone company which provides access lines or trunk lines in a city that imposes a surcharge pursuant to this section shall collect the surcharge from its customers each month. The telephone company shall remit the surcharge it collects to the treasurer of the city in which the surcharge is imposed not later than the 15th day of the month after the month it receives payment of the surcharge from its customers.

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

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

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

Sec. 4. *If a city council imposes a surcharge pursuant to section 3 of this act, the city council shall:*

1. Establish by ordinance an advisory committee to develop a plan, consistent with the master plan adopted by the city council pursuant to section 3 of this act, to enhance the telephone system for reporting an emergency in the city and to oversee any money allocated for that purpose. The advisory committee must consist of not less than five members who:

(a) Are residents of the city;

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

(c) Are not elected public officers.

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

2. Create a special revenue fund of the city for the deposit of the money collected pursuant to section 3 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. 5. ***A telephone company that collects the surcharge imposed pursuant to section 3 of this act is entitled to retain an amount of the surcharge collected which is equal to the cost of collecting the surcharge.***

Sec. 6. This act becomes effective upon passage and approval.

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