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INTRODUCED BY

*Hayne* House BILL NO. 210

A BILL FOR AN ACT ENTITLED: "AN ACT ENABLING 9-1-1 EMERGENCY TELEPHONE SYSTEMS TO PROVIDE ENHANCED 9-1-1 SERVICES; DISTINGUISHING BASIC 9-1-1 SYSTEMS FROM ENHANCED 9-1-1 SYSTEMS; ESTABLISHING REQUIREMENTS FOR BASIC 9-1-1 AND ENHANCED 9-1-1 SYSTEMS; ESTABLISHING FEES FOR BASIC 9-1-1 AND ENHANCED 9-1-1 SYSTEMS; CLARIFYING THE SERVICES TO WHICH 9-1-1 FEES APPLY; PROVIDING FOR ACCOUNTING FOR BASIC 9-1-1 AND ENHANCED 9-1-1 FEES; CLARIFYING THE STATUTORY APPROPRIATION OF ENHANCED 9-1-1 FEES; PROVIDING LIMITS ON AND REQUIREMENTS FOR THE DISTRIBUTION OF AND THE EXPENDITURE OF BASIC 9-1-1 AND ENHANCED 9-1-1 FEES; AMENDING SECTIONS 10-4-101, 10-4-102, 10-4-103, 10-4-111, 10-4-112, 10-4-113, 10-4-201, 10-4-202, 10-4-301, 10-4-302, AND 10-4-303, MCA; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 10-4-101, MCA, is amended to read:

"**10-4-101. Definitions.** As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) ~~"Account~~ "Basic 9-1-1 account" means the 9-1-1 emergency telecommunications account established in ~~10-4-301~~ 10-4-301(1)(a).

(2) (a) "Basic 9-1-1 service" means a telephone service meeting the standards established in 10-4-102 that automatically connects a person dialing the digits 9-1-1 to an established public safety answering point.

(b) "Basic 9-1-1 services" includes equipment for connecting and outswitching 9-1-1 calls within a telephone central office, trunking facilities from the central office to a public safety answering point, and equipment, as appropriate, for transferring the call to another point, when appropriate.

~~(2)(3)~~ "Department" means the department of administration provided for in Title 2, chapter 15, part 10.

~~(3)(4)~~ "Direct dispatch method" means a 9-1-1 service in which a public safety answering point,

1 upon receipt of a telephone request for emergency services, provides for a decision as to the proper action  
2 to be taken and for dispatch of appropriate emergency service units.

3 ~~(4)~~(5) "Emergency" means any event that requires dispatch of a public or private safety agency.

4 ~~(5)~~(6) "Emergency services" means services provided by any public or private safety agency,  
5 including law enforcement, firefighting, ambulance or medical services, and civil defense services.

6 ~~(7)~~ "Enhanced 9-1-1 account" means the 9-1-1 emergency telecommunications account established  
7 in 10-4-301(1)(b).

8 ~~(8)~~ "Enhanced 9-1-1 system" means a system:

9 ~~(a)~~ consisting of selective routing with the capability of automatic number identification and  
10 automatic location identification at a public safety answering point enabling users of the public  
11 telecommunications system to request emergency services by dialing the digits 9-1-1; and

12 ~~(b)~~ that includes customer premises equipment directly related to the operation of an enhanced  
13 9-1-1 system, including but not limited to automatic number identification or automatic location  
14 identification controllers and display units, printers, and software associated with call detail recording.

15 ~~(6)~~(9) "Exchange access services" means:

16 (a) telephone exchange access lines or channels that provide local access from the premises of a  
17 subscriber in this state to the local telecommunications network to effect the transfer of information; and

18 (b) unless a separate tariff rate is charged ~~therefor~~ for the exchange access lines or channels, any  
19 facility or service provided in connection with the services described in subsection ~~(6)~~ (9)(a).

20 ~~(7)~~(10) "Local government" means any city, county, or political subdivision of the state and its  
21 agencies.

22 ~~(8)~~ "Minimum 9-1-1 service" means ~~a telephone service meeting the standards established in~~  
23 ~~10-4-102 that automatically connects a person dialing the digits 9-1-1 to an established public safety~~  
24 ~~answering point. "Minimum 9-1-1 services" includes equipment for connecting and outswitching 9-1-1 calls~~  
25 ~~within a telephone central office, trunking facilities from the central office to a public safety answering~~  
26 ~~point, and equipment, as appropriate, for transferring the call to another point, when appropriate.~~

27 ~~(9)~~(11) A "9-1-1 jurisdiction" means a group of public or private safety agencies who operate  
28 within or are affected by one or more common central office boundaries and who have agreed in writing  
29 to jointly plan a 9-1-1 emergency telephone system.

30 ~~(10)~~(12) "Private safety agency" means any entity, except a public safety agency, providing

1 emergency fire, ambulance, or medical services.

2 ~~(11)~~(13) "Provider" means a public utility, cooperative telephone company, or any other entity that  
3 provides telephone exchange access services.

4 ~~(12)~~(14) "Public safety agency" means the state and any city, county, city-county consolidated  
5 government, municipal corporation, chartered organization, public district, or public authority located in  
6 whole or in part within this state that provides or has authority to provide emergency services.

7 ~~(13)~~(15) "Public safety answering point" means a communications facility operated on a 24-hour  
8 basis that first receives 9-1-1 calls from persons in a 9-1-1 service area and ~~which~~ that may, as appropriate,  
9 directly dispatch public or private safety services or transfer or relay 9-1-1 calls to appropriate public safety  
10 agencies.

11 ~~(14)~~(16) "Relay method" means a 9-1-1 service in which a public safety answering point, upon  
12 receipt of a telephone request for emergency services, notes the pertinent information from the caller and  
13 relays ~~such~~ the information to the appropriate public safety agency, other agencies, or other providers of  
14 emergency services for dispatch of an emergency unit.

15 ~~(15)~~(17) "Subscriber" means an end user who receives telephone exchange access services.

16 ~~(16)~~(18) "Transfer method" means a 9-1-1 service in which a public safety answering point, upon  
17 receipt of a telephone request for emergency services, directly transfers ~~such~~ a the request to an  
18 appropriate public safety answering agency or other provider of emergency services."

19

20 **Section 2.** Section 10-4-102, MCA, is amended to read:

21 **"10-4-102. Department of administration duties and powers.** (1) The department shall assist in  
22 the development of basic and enhanced 9-1-1 systems in the state. The department shall:

23 (a) establish procedures for determining and evaluating requests for variations from ~~minimum~~ basic  
24 or enhanced 9-1-1 service;

25 (b) upon request of a 9-1-1 jurisdiction, assist in planning ~~an emergency~~ a basic or enhanced 9-1-1  
26 telephone system;

27 (c) establish criteria for evaluating basic and enhanced 9-1-1 system plans;

28 (d) monitor implementation of approved basic and enhanced 9-1-1 system plans for compliance  
29 with the plan and use of funding; and

30 (e) as it finds necessary, report to the legislature the progress made in implementing a statewide

1 ~~emergency telephone system~~ basic and enhanced 9-1-1 systems.

2 (2) The department shall obtain input from all 9-1-1 jurisdictions by creating an advisory council  
3 to participate in development and implementation of the 9-1-1 program in the state. The council must be  
4 established pursuant to 2-15-122. The highway patrol, emergency medical services organizations, telephone  
5 companies, the associated public safety communicators, the department of emergency services, police  
6 departments, sheriff's departments, local citizens, organizations, and other public safety organizations may  
7 submit recommendations for membership on the advisory council."

8

9 **Section 3.** Section 10-4-103, MCA, is amended to read:

10 **"10-4-103. Emergency telephone system requirements.** (1) Every public and private safety agency  
11 in this state may establish or participate in ~~an~~ a basic or enhanced 9-1-1 emergency telephone system.

12 (2) ~~An~~ A basic 9-1-1 emergency telephone system must include:

13 (a) a 24-hour communications facility automatically accessible anywhere in the 9-1-1 jurisdiction's  
14 service area by dialing 9-1-1;

15 (b) direct dispatch of public and private safety services in the 9-1-1 jurisdiction or relay or transfer  
16 of 9-1-1 calls to an appropriate public or private safety agency; and

17 (c) a 24-hour communications facility equipped with at least two trunk-hunting local access circuits  
18 provided by the local telephone company's central office.

19 (3) An enhanced 9-1-1 system must include, in addition to the requirements for a basic 9-1-1  
20 system:

21 (a) automatic number identification that automatically identifies and displays the calling telephone  
22 number at the public safety answering point; and

23 (b) automatic location identification that automatically identifies and displays the address of the  
24 calling telephone at the public safety answering point.

25 (4) The primary emergency telephone number within the state is 9-1-1, but a public safety  
26 answering point shall maintain both a separate seven-digit secondary emergency number for use by the  
27 telephone company operator and a separate seven-digit nonemergency number."

28

29 **Section 4.** Section 10-4-111, MCA, is amended to read:

30 **"10-4-111. Submission of preliminary plans for 9-1-1 jurisdictions -- review -- cost estimates.** (1)

1 A 9-1-1 jurisdiction may submit a preliminary plan for establishing ~~as~~ a basic or enhanced 9-1-1 emergency  
2 telephone system in accordance with 10-4-103 to:

- 3 (a) public and private safety agencies in the 9-1-1 jurisdiction;  
4 (b) the department; and  
5 (c) providers of telephone service in the 9-1-1 jurisdiction's service area.

6 (2) The department shall review the preliminary plan for compliance with 10-4-103 and rules  
7 adopted pursuant to 10-4-102 and report its approval or disapproval to the 9-1-1 jurisdiction within 90 days  
8 of receipt of the plan.

9 (3) A provider of telephone service in the 9-1-1 jurisdiction's service area shall, within 90 days of  
10 receipt of the plan, provide the 9-1-1 jurisdiction with a good faith estimate of the cost to the 9-1-1  
11 jurisdiction for implementing the plan."

12  
13 **Section 5.** Section 10-4-112, MCA, is amended to read:

14 "**10-4-112. Submission and approval of final plans -- exception.** (1) A 9-1-1 jurisdiction shall  
15 submit a proposed final plan for establishing ~~as~~ a basic or enhanced 9-1-1 emergency telephone system  
16 pursuant to 10-4-103 within 1 year from receipt of the department's approval of its preliminary plan to:

- 17 (a) public and private safety agencies in the 9-1-1 jurisdiction;  
18 (b) the department; and  
19 (c) providers of telephone service in the 9-1-1 jurisdiction's service area.

20 (2) In addition to other matters required by 10-4-103, the final plan must include a description of  
21 all capital and recurring costs for the proposed emergency 9-1-1 telephone system.

22 (3) The department shall determine whether the final plan complies with 10-4-103 and rules  
23 adopted pursuant to 10-4-102. Subject to 10-4-113, if the department determines that the plan complies,  
24 it shall approve the plan, or if the department determines that the plan does not comply, it shall disapprove  
25 the plan. The department shall inform the 9-1-1 jurisdiction of its decision within 180 days of receipt of the  
26 plan. In any statement approving a final plan, the department shall indicate a timetable in which the provider  
27 shall undertake necessary telephone system conversions. The timetable must be such that conversions may  
28 not be required unless sufficient funds to compensate the provider for its conversion costs are available  
29 within 1 year of the initial installation of the 9-1-1 system."

1           **Section 6.** Section 10-4-113, MCA, is amended to read:

2           **"10-4-113. Requirement for approval of final plan -- department to insure compliance.** The  
3 department may not approve the preliminary or final plan ~~of~~ for basic or enhanced 9-1-1 service within a  
4 9-1-1 jurisdiction unless the plan is accompanied by a written approval from the governing bodies of all  
5 participating public and private safety agencies included in the 9-1-1 jurisdiction."  
6

7           **NEW SECTION.** **Section 7. Submission of revised plan for conversion from basic 9-1-1 to**  
8 **enhanced 9-1-1.** (1) A jurisdiction intending to implement an enhanced 9-1-1 system shall submit an  
9 amended plan for establishing an enhanced 9-1-1 system to:

- 10           (a) every public and private safety agency in the 9-1-1 jurisdiction;
- 11           (b) the department; and
- 12           (c) all providers of telephone service in the 9-1-1 jurisdiction's service area.
- 13           (2) The amended plan must include:
- 14           (a) a description of all capital and recurring costs for the proposed enhanced 9-1-1 system;
- 15           (b) the proposed schedule for implementation of the enhanced 9-1-1 system;
- 16           (c) the proposed expenditures for equipment and software upgrades;
- 17           (d) a plan for maintaining all automatic number identification and all automatic location identification  
18 data bases; and
- 19           (e) a plan for 9-1-1 dispatcher training that must include, at a minimum:
- 20           (i) basic telecommunicator certification awarded upon successful completion of the basic  
21 telecommunicator class offered through the Montana law enforcement academy;
- 22           (ii) emergency medical dispatch certification awarded upon successful completion of one of the  
23 emergency medical dispatch programs that provide dispatch-specific medical training and training and  
24 practice in the use of written or automated medical dispatch protocols; or
- 25           (iii) training that includes handling 9-1-1 emergency telephone calls and relaying information to the  
26 appropriate responder or dispatch agency.
- 27           (3) (a) The department shall determine whether the enhanced 9-1-1 plan complies with the  
28 provisions of this part, including rules adopted pursuant to 10-4-102, and shall inform the 9-1-1 jurisdiction  
29 of its determination within 180 days of receipt of the plan.
- 30           (b) If the department approves an enhanced 9-1-1 plan, the department shall indicate a timetable

1 within which the provider shall undertake necessary conversions to dedicated 9-1-1 circuits. The timetable  
 2 must be such that conversions may not be required unless sufficient funds to compensate the provider for  
 3 its conversion costs are available within 1 year of the initial installation of the 9-1-1 system.

4 (4) If enhanced 9-1-1 has been included as part of an approved final plan for basic 9-1-1, the  
 5 jurisdiction is not required to submit an amended plan for enhanced 9-1-1.

6  
 7 **NEW SECTION. Section 8. Dedicated 9-1-1 telephone facilities to be provided -- capabilities.** Every  
 8 provider of telephone service in an area served by an emergency telephone system established pursuant  
 9 to 10-4-103 shall provide dedicated 9-1-1 telephone facilities capable of providing automatic number  
 10 identification to the public safety answering point. The provision of facilities and services required under  
 11 this section must be accomplished according to a plan, including a timetable, approved pursuant to  
 12 10-4-111.

13  
 14 **Section 9.** Section 10-4-201, MCA, is amended to read:

15 "**10-4-201. Fee Fees imposed for telephone exchange access services.** (1) Except as provided in  
 16 10-4-202<sub>2</sub>;

17 (a) for basic 9-1-1 services, a fee of 25 cents a month per access line on each service subscriber  
 18 in the state is imposed on the amount charged for telephone exchange access services, wireless telephone  
 19 service, or other 9-1-1 accessible services; and

20 (b) for enhanced 9-1-1 services, a fee of 30 cents a month per access line on each service  
 21 subscriber in the state is imposed on the amount charged for telephone exchange access services, wireless  
 22 telephone service, or other 9-1-1 accessible services.

23 (2) The subscriber paying for exchange access line services is liable for the ~~fee~~ fees imposed by  
 24 this section.

25 (3) The provider shall collect the ~~fee~~ fees. The amount of the ~~fee~~ fees collected by the provider is  
 26 considered payment by the subscriber for that amount of ~~fee~~ fees.

27 (4) Any return made by the provider collecting the ~~fee~~ fees is prima facie evidence of payments  
 28 by the subscribers of the amount of fees indicated on the return."

29  
 30 **Section 10.** Section 10-4-202, MCA, is amended to read:

1           **"10-4-202. Exemptions from fee fees imposed.** The ~~fee fees~~ imposed by 10-4-201 ~~does~~ do not  
2 apply to:

- 3           (1) services that the state is prohibited from taxing under the constitution or laws of the United  
4 States or the constitution or laws of the state of Montana; or  
5           (2) amounts paid by depositing coins in a public telephone."  
6

7           **Section 11.** Section 10-4-301, MCA, is amended to read:

8           **"10-4-301. Establishment of emergency telecommunications ~~account~~ accounts.** ~~A 9-1-1~~  
9 ~~emergency telecommunications account is~~

- 10           (1) There are established in the state special revenue fund in the state treasury:  
11           (a) an account for all fees collected for basic 9-1-1 services pursuant to 10-4-201(1)(a); and  
12           (b) an account for all fees collected for enhanced 9-1-1 services pursuant to 10-4-201(1)(b).  
13           (2) All money received by the department of revenue pursuant to 10-4-201 must be paid to the  
14 state treasurer for deposit in the appropriate account.  
15           (3) After payment of refunds pursuant to 10-4-205, the balance of the ~~account~~ respective accounts  
16 must be used for the purposes described in part 1 of this chapter.  
17           (4) The distribution of funds in the 9-1-1 emergency telecommunications ~~account~~ accounts  
18 described in subsection (1), according to the requirements of 10-4-302 and [section 14], is statutorily  
19 appropriated.  
20           (5) Expenditures for actual and necessary expenses required for the efficient administration of the  
21 plan must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that  
22 purpose."  
23

24           **Section 12.** Section 10-4-302, MCA, is amended to read:

25           **"10-4-302. Distribution of basic 9-1-1 account by department.** (1) The department shall make  
26 quarterly distributions of the entire basic 9-1-1 account ~~beginning on April 1, 1987~~. The distributions must  
27 be made for the following:

- 28           (a) administrative costs incurred during the preceding calendar quarter by the department of  
29 revenue in carrying out this chapter. The amount paid may not exceed ~~1%~~ 0.5% of the account on the date  
30 of distribution or actual expenses incurred, whichever is less.



1 (b) administrative costs incurred during the preceding calendar quarter by the department in  
 2 carrying out its duties under this chapter. The department's annual recovery of costs may not exceed ~~7%~~  
 3 3.5% of the amount collected by the account during the fiscal year or actual expenses incurred, whichever  
 4 is less.

5 (c) costs incurred during the preceding calendar quarter by each provider of telephone service in  
 6 the state for:

7 (i) collection of the ~~fee~~ fees imposed by 10-4-201;

8 (ii) modification of central office switching and trunking equipment for emergency telephone service  
 9 only; and

10 (iii) conversion of pay station telephones required by 10-4-121.

11 (2) Payments under subsection (1)(c) may be made only after application by the provider to the  
 12 department for costs incurred in subsection (1)(c). The department shall review all applications relevant to  
 13 subsection (1)(c) for appropriateness of costs claimed by the provider. If the provider contests the review,  
 14 payment may not be made until the amount owed the provider is made certain.

15 (3) After all amounts under subsections (1) and (2) have been paid, the balance of the account  
 16 must be allocated to cities and counties on a per capita basis. However, each county must be allocated a  
 17 minimum of 1% of the balance of the counties' share of the account. A 9-1-1 jurisdiction whose 9-1-1  
 18 service area includes more than one city or county is eligible to receive operating funds from the allocation  
 19 for each city or county involved. The department shall distribute to the accounting entity designated by a  
 20 9-1-1 jurisdiction with an approved final plan the proportional amount for each city or county served by the  
 21 9-1-1 jurisdiction. The department shall provide a report indicating the proportional share derived from the  
 22 individual city's or county's allocation with each distribution to a 9-1-1 jurisdiction.

23 (4) If the department through its monitoring process determines that a 9-1-1 jurisdiction is not  
 24 adhering to an approved plan or is not using funds in the manner prescribed in 10-4-303, the department  
 25 may, after notice and hearing, suspend payment to the 9-1-1 jurisdiction. The jurisdiction is not eligible to  
 26 receive funds until ~~such time as~~ the department determines that the jurisdiction is complying with the  
 27 approved plan and fund usage limitations."  
 28

29 **Section 13.** Section 10-4-303, MCA, is amended to read:

30 **"10-4-303. Limitation on use of basic 9-1-1 funds.** Money received under subsection (3) of

1 10-4-302 may be used only to pay for installing, operating, and improving ~~as a basic 9-1-1~~ emergency  
 2 telephone system ~~using 9-1-1~~. Money not necessary for immediate use may be invested by the city or  
 3 county. The income from the investments ~~shall~~ may be used only for the purposes described in this  
 4 section."

5

6 **NEW SECTION. Section 14. Distribution of enhanced 9-1-1 account by department.** (1) The  
 7 department shall make quarterly distributions of the entire enhanced 9-1-1 account as follows:

8 (a) administrative costs incurred during the preceding calendar quarter by the department of  
 9 revenue in carrying out this chapter. The amount paid may not exceed 0.5% of the account on the date  
 10 of distribution or actual expenses incurred, whichever is less.

11 (b) administrative costs incurred during the preceding calendar quarter by the department in  
 12 carrying out its duties under this chapter. The department's annual recovery of costs may not exceed 3.5%  
 13 of the amount deposited in the account during the fiscal year or actual expenses incurred, whichever is  
 14 less.

15 (c) costs incurred during the preceding calendar quarter by each provider of telephone service in  
 16 the state for:

17 (i) collection of the fee imposed by 10-4-201(1)(b); and

18 (ii) modification of central office switching and trunking equipment necessary to provide service  
 19 for an enhanced 9-1-1 system only.

20 (2) Payments under subsection (1)(c) may be made only after application by the provider to the  
 21 department for costs described in subsection (1)(c). The department shall review all applications relevant  
 22 to subsection (1)(c) for appropriateness of costs claimed by the provider. If the provider contests the  
 23 review, payment may not be made until the amount owed the provider is made certain.

24 (3) After all amounts under subsections (1) and (2) have been paid:

25 (a) 84% of the balance of the account must be allocated to cities and counties on a per capita  
 26 basis. However, each county must be allocated a minimum of 1% of the balance of the counties' share of  
 27 the account.

28 (b) the remaining 16% of the balance of the account must be distributed evenly to the counties with  
 29 1% or less than 1% of the total population.

30 (4) An enhanced 9-1-1 jurisdiction whose enhanced 9-1-1 service area includes more than one city

1 or county is eligible to receive operating funds from the allocation for each city or county involved. The  
2 department shall distribute to the accounting entity designated by an enhanced 9-1-1 jurisdiction with an  
3 approved final plan for enhanced 9-1-1 service the proportional amount for each city or county served by  
4 the enhanced 9-1-1 jurisdiction. The department shall, upon request, provide a report indicating the  
5 proportional share derived from the individual city's or county's allocation with each distribution to a 9-1-1  
6 jurisdiction.

7 (5) If the department determines that an enhanced service 9-1-1 jurisdiction is not adhering to an  
8 approved plan for enhanced 9-1-1 service or is not using funds in the manner prescribed in [section 15],  
9 the department may, after giving notice to the jurisdiction and providing an opportunity for a representative  
10 of the jurisdiction to comment on the department's determination, suspend payment from the enhanced  
11 9-1-1 account to the 9-1-1 jurisdiction. The jurisdiction is not eligible to receive funds from the enhanced  
12 9-1-1 account until the department determines that the jurisdiction is complying with the approved plan for  
13 enhanced 9-1-1 and fund usage limitations.

14

15 **NEW SECTION. Section 15. Limitation on use of enhanced 9-1-1 funds.** Money received under  
16 [section 14(3) or (4)] may be used only to pay for installing enhanced 9-1-1 features, or for operating and  
17 improving an emergency telephone system using 9-1-1 once the plan for converting to enhanced 9-1-1 has  
18 been approved. Money not necessary for immediate use may be invested by the city or county. The  
19 income from the investments may be used only for the purposes described in this section.

20

21 **NEW SECTION. Section 16. Codification instruction.** (1) [Sections 7 and 8] are intended to be  
22 codified as an integral part of Title 10, chapter 4, part 1, and the provisions of Title 10, chapter 4, apply  
23 to [sections 7 and 8].

24 (2) [Sections 14 and 15] are intended to be codified as an integral part of Title 10, chapter 4, part  
25 3, and the provisions of Title 10, chapter 4, apply to [sections 14 and 15].

26

27 **NEW SECTION. Section 17. Applicability.** (1) Except as provided in subsections (2) and (3), [this  
28 act] applies on July 1, 1997.

29 (2) [Sections 7, 18, and this section] apply on passage and approval.

30 (3) [Section 14] applies to calendar quarters beginning on or after October 1, 1997.



STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0210, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill enabling 9-1-1 emergency telephone systems to provide enhanced 9-1-1 services.

ASSUMPTIONS:

1. Distributions of basic and enhanced funds to 9-1-1 jurisdictions would be combined, avoiding duplicate administrative processing costs (warrant production, etc.)
2. The Department of Administration (DOA) estimates total revenue to be generated from the new \$.55 charge will be \$3.54 million in FY98. The corresponding FY98 amount at \$.25 would be \$1.61 million, or a difference of \$1.93 million. The difference in increased revenue is distributed as follows: Department of Revenue (DOR) administration costs - \$1,600; DOA administration costs - \$11,200; cities and counties for 911 operations - \$1,930,000. It is assumed that the same amounts will be collected in FY99.
3. DOR and DOA will expend their increased revenue on administrative 9-1-1 functions.
4. State government currently has approximately 4,000 telephone lines subject to the 911 charge. The additional cost to state government will be \$14,400 (4,000 x .30 x 12). The fund breakdown is: general fund - \$6,200; state special - \$2,900; federal special - \$5,300.
5. There would be no software upgrades necessary to provide enhanced 9-1-1 capability in the telephone switches operated by the department in addition to those already planned for department facilities.
6. Enhanced 9-1-1 systems would be implemented over several years, currently estimated to be 6-8 years, enabling relatively stable workload demands for the existing 9-1-1 staff.

FISCAL IMPACT:

Expenditures:

All state agencies:	FY98 Difference	FY99 Difference
Operating Expenses	\$27,200	\$27,200
Total	\$27,200	\$27,200

Funding:

General fund	\$ 6,200	\$ 6,200
State special	4,500	4,500
Federal special	5,300	5,300
Proprietary	<u>11,200</u>	<u>11,200</u>
Total	\$27,200	\$27,200

Revenues:

Fees - DOR (02)	\$1,600	\$1,600
Fees - DOA (06)	<u>11,200</u>	<u>11,200</u>
Total	\$12,800	\$12,800

Net Impact on Fund Balance: (revenue minus expense)

General fund (01)	\$ (6,200)	\$ (6,200)
State special (02)	(2,900)	(2,900)
Federal special (03)	<u>(5,300)</u>	<u>(5,300)</u>
Total	\$(14,400)	\$(14,400)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Increased revenue of about \$1.917 million would be distributed annually to 9-1-1 jurisdictions in cities and counties.

*Dave Lewis* 1-15-97  
 \_\_\_\_\_  
 DAVE LEWIS, BUDGET DIRECTOR                      DATE  
 Office of Budget and Program Planning

*Harriet Hayne* 1-15-97  
 \_\_\_\_\_  
 HARRIET HAYNE, PRIMARY SPONSOR                      DATE

Fiscal Note for HB0210, as introduced

**HB 210**

HOUSE BILL NO. 210

INTRODUCED BY HAYNE, KITZENBERG, ECK, MASOLO, NELSON, BARTLETT, HARPER, DEVANEY

A BILL FOR AN ACT ENTITLED: "AN ACT ENABLING 9-1-1 EMERGENCY TELEPHONE SYSTEMS TO PROVIDE ENHANCED 9-1-1 SERVICES; DISTINGUISHING BASIC 9-1-1 SYSTEMS FROM ENHANCED 9-1-1 SYSTEMS; ESTABLISHING REQUIREMENTS FOR BASIC 9-1-1 AND ENHANCED 9-1-1 SYSTEMS; ESTABLISHING FEES FOR BASIC 9-1-1 AND ENHANCED 9-1-1 SYSTEMS; CLARIFYING THE SERVICES TO WHICH 9-1-1 FEES APPLY; PROVIDING FOR ACCOUNTING FOR BASIC 9-1-1 AND ENHANCED 9-1-1 FEES; CLARIFYING THE STATUTORY APPROPRIATION OF ENHANCED 9-1-1 FEES; PROVIDING LIMITS ON AND REQUIREMENTS FOR THE DISTRIBUTION OF AND THE EXPENDITURE OF BASIC 9-1-1 AND ENHANCED 9-1-1 FEES; AMENDING SECTIONS 10-4-101, 10-4-102, 10-4-103, 10-4-111, 10-4-112, 10-4-113, 10-4-201, 10-4-202, 10-4-301, 10-4-302, AND 10-4-303, MCA; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 10-4-101, MCA, is amended to read:

**"10-4-101. Definitions.** As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) ~~"Account~~ **"Basic 9-1-1 account"** means the 9-1-1 emergency telecommunications account established in ~~10-4-301~~ 10-4-301(1)(a).

(2) (a) "Basic 9-1-1 service" means a telephone service meeting the standards established in 10-4-102 that automatically connects a person dialing the digits 9-1-1 to an established public safety answering point.

(b) "Basic 9-1-1 services" includes equipment for connecting and outswitching 9-1-1 calls within a telephone central office, trunking facilities from the central office to a public safety answering point, and equipment, as appropriate, for transferring the call to another point, when appropriate.

~~(2)(3)~~ "Department" means the department of administration provided for in Title 2, chapter 15, part 10.

~~(3)(4)~~ "Direct dispatch method" means a 9-1-1 service in which a public safety answering point,

1 upon receipt of a telephone request for emergency services, provides for a decision as to the proper action  
2 to be taken and for dispatch of appropriate emergency service units.

3 ~~(4)~~(5) "Emergency" means any event that requires dispatch of a public or private safety agency.

4 ~~(5)~~(6) "Emergency services" means services provided by any public or private safety agency,  
5 including law enforcement, firefighting, ambulance or medical services, and civil defense services.

6 (7) "Enhanced 9-1-1 account" means the 9-1-1 emergency telecommunications account established  
7 in 10-4-301(1)(b).

8 (8) "Enhanced 9-1-1 system" means a system:

9 (a) consisting of selective routing with the capability of automatic number identification and  
10 automatic location identification at a public safety answering point enabling users of the public  
11 telecommunications system to request emergency services by dialing the digits 9-1-1; and

12 (b) that includes customer premises equipment directly related to the operation of an enhanced  
13 9-1-1 system, including but not limited to automatic number identification or automatic location  
14 identification controllers and display units, printers, and software associated with call detail recording.

15 ~~(6)~~(9) "Exchange access services" means:

16 (a) telephone exchange access lines or channels that provide local access from the premises of a  
17 subscriber in this state to the local telecommunications network to effect the transfer of information; and

18 (b) unless a separate tariff rate is charged ~~therefor~~ for the exchange access lines or channels, any  
19 facility or service provided in connection with the services described in subsection ~~(6)~~ (9)(a).

20 ~~(7)~~(10) "Local government" means any city, county, or political subdivision of the state and its  
21 agencies.

22 ~~(8) "Minimum 9-1-1 service" means a telephone service meeting the standards established in~~  
23 ~~10-4-102 that automatically connects a person dialing the digits 9-1-1 to an established public safety~~  
24 ~~answering point. "Minimum 9-1-1 services" includes equipment for connecting and outswitching 9-1-1 calls~~  
25 ~~within a telephone central office, trunking facilities from the central office to a public safety answering~~  
26 ~~point, and equipment, as appropriate, for transferring the call to another point, when appropriate.~~

27 ~~(9)~~(11) A "9-1-1 jurisdiction" means a group of public or private safety agencies who operate  
28 within or are affected by one or more common central office boundaries and who have agreed in writing  
29 to jointly plan a 9-1-1 emergency telephone system.

30 ~~(10)~~(12) "Private safety agency" means any entity, except a public safety agency, providing

1 emergency fire, ambulance, or medical services.

2 ~~(11)~~(13) "Provider" means a public utility, cooperative telephone company, or any other entity that  
3 provides telephone exchange access services.

4 ~~(12)~~(14) "Public safety agency" means the state and any city, county, city-county consolidated  
5 government, municipal corporation, chartered organization, public district, or public authority located in  
6 whole or in part within this state that provides or has authority to provide emergency services.

7 ~~(13)~~(15) "Public safety answering point" means a communications facility operated on a 24-hour  
8 basis that first receives 9-1-1 calls from persons in a 9-1-1 service area and ~~which~~ that may, as appropriate,  
9 directly dispatch public or private safety services or transfer or relay 9-1-1 calls to appropriate public safety  
10 agencies.

11 ~~(14)~~(16) "Relay method" means a 9-1-1 service in which a public safety answering point, upon  
12 receipt of a telephone request for emergency services, notes the pertinent information from the caller and  
13 relays ~~such~~ the information to the appropriate public safety agency, other agencies, or other providers of  
14 emergency services for dispatch of an emergency unit.

15 ~~(15)~~(17) "Subscriber" means an end user who receives telephone exchange access services.

16 ~~(16)~~(18) "Transfer method" means a 9-1-1 service in which a public safety answering point, upon  
17 receipt of a telephone request for emergency services, directly transfers ~~such a~~ the request to an  
18 appropriate public safety answering agency or other provider of emergency services."

19

20 **Section 2.** Section 10-4-102, MCA, is amended to read:

21 **"10-4-102. Department of administration duties and powers.** (1) The department shall assist in  
22 the development of basic and enhanced 9-1-1 systems in the state. The department shall:

23 (a) establish procedures for determining and evaluating requests for variations from ~~minimum~~ basic  
24 or enhanced 9-1-1 service;

25 (b) upon request of a 9-1-1 jurisdiction, assist in planning ~~an emergency~~ a basic or enhanced 9-1-1  
26 telephone system;

27 (c) establish criteria for evaluating basic and enhanced 9-1-1 system plans;

28 (d) monitor implementation of approved basic and enhanced 9-1-1 system plans for compliance  
29 with the plan and use of funding; and

30 (e) as it finds necessary, report to the legislature the progress made in implementing a statewide



1 ~~emergency telephone system~~ basic and enhanced 9-1-1 systems.

2 (2) The department shall obtain input from all 9-1-1 jurisdictions by creating an advisory council  
3 to participate in development and implementation of the 9-1-1 program in the state. The council must be  
4 established pursuant to 2-15-122. The highway patrol, emergency medical services organizations, telephone  
5 companies, the associated public safety communicators, the department of emergency services, police  
6 departments, sheriff's departments, local citizens, organizations, and other public safety organizations may  
7 submit recommendations for membership on the advisory council."

8

9 **Section 3.** Section 10-4-103, MCA, is amended to read:

10 "**10-4-103. Emergency telephone system requirements.** (1) Every public and private safety agency  
11 in this state may establish or participate in ~~an~~ a basic or enhanced 9-1-1 emergency telephone system.

12 (2) ~~An~~ A basic 9-1-1 emergency telephone system must include:

13 (a) a 24-hour communications facility automatically accessible anywhere in the 9-1-1 jurisdiction's  
14 service area by dialing 9-1-1;

15 (b) direct dispatch of public and private safety services in the 9-1-1 jurisdiction or relay or transfer  
16 of 9-1-1 calls to an appropriate public or private safety agency; and

17 (c) a 24-hour communications facility equipped with at least two trunk-hunting local access circuits  
18 provided by the local telephone company's central office.

19 (3) An enhanced 9-1-1 system must include, in addition to the requirements for a basic 9-1-1  
20 system:

21 (a) automatic number identification that automatically identifies and displays the calling telephone  
22 number at the public safety answering point; and

23 (b) automatic location identification that automatically identifies and displays the address of the  
24 calling telephone at the public safety answering point.

25 (4) The primary emergency telephone number within the state is 9-1-1, but a public safety  
26 answering point shall maintain both a separate seven-digit secondary emergency number for use by the  
27 telephone company operator and a separate seven-digit nonemergency number."

28

29 **Section 4.** Section 10-4-111, MCA, is amended to read:

30 "**10-4-111. Submission of preliminary plans for 9-1-1 jurisdictions -- review -- cost estimates.** (1)

1 A 9-1-1 jurisdiction may submit a preliminary plan for establishing ~~an~~ a basic or enhanced 9-1-1 emergency  
2 telephone system in accordance with 10-4-103 to:

- 3 (a) public and private safety agencies in the 9-1-1 jurisdiction;
- 4 (b) the department; and
- 5 (c) providers of telephone service in the 9-1-1 jurisdiction's service area.

6 (2) The department shall review the preliminary plan for compliance with 10-4-103 and rules  
7 adopted pursuant to 10-4-102 and report its approval or disapproval to the 9-1-1 jurisdiction within 90 days  
8 of receipt of the plan.

9 (3) A provider of telephone service in the 9-1-1 jurisdiction's service area shall, within 90 days of  
10 receipt of the plan, provide the 9-1-1 jurisdiction with a good faith estimate of the cost to the 9-1-1  
11 jurisdiction for implementing the plan."

12

13 **Section 5.** Section 10-4-112, MCA, is amended to read:

14 **"10-4-112. Submission and approval of final plans -- exception.** (1) A 9-1-1 jurisdiction shall  
15 submit a proposed final plan for establishing ~~an~~ a basic or enhanced 9-1-1 emergency telephone system  
16 pursuant to 10-4-103 within 1 year from receipt of the department's approval of its preliminary plan to:

- 17 (a) public and private safety agencies in the 9-1-1 jurisdiction;
- 18 (b) the department; and
- 19 (c) providers of telephone service in the 9-1-1 jurisdiction's service area.

20 (2) In addition to other matters required by 10-4-103, the final plan must include a description of  
21 all capital and recurring costs for the proposed emergency 9-1-1 telephone system.

22 (3) The department shall determine whether the final plan complies with 10-4-103 and rules  
23 adopted pursuant to 10-4-102. Subject to 10-4-113, if the department determines that the plan complies,  
24 it shall approve the plan, or if the department determines that the plan does not comply, it shall disapprove  
25 the plan. The department shall inform the 9-1-1 jurisdiction of its decision within 180 days of receipt of the  
26 plan. In any statement approving a final plan, the department shall indicate a timetable in which the provider  
27 shall undertake necessary telephone system conversions. The timetable must be such that conversions may  
28 not be required unless sufficient funds to compensate the provider for its conversion costs are available  
29 within 1 year of the initial installation of the 9-1-1 system."

30

1           **Section 6.** Section 10-4-113, MCA, is amended to read:

2           **"10-4-113. Requirement for approval of final plan -- department to insure compliance.** The  
3 department may not approve the preliminary or final plan ~~of~~ for basic or enhanced 9-1-1 service within a  
4 9-1-1 jurisdiction unless the plan is accompanied by a written approval from the governing bodies of all  
5 participating public and private safety agencies included in the 9-1-1 jurisdiction."  
6

7           **NEW SECTION.** **Section 7. Submission of revised plan for conversion from basic 9-1-1 to**  
8 **enhanced 9-1-1.** (1) A jurisdiction intending to implement an enhanced 9-1-1 system shall submit an  
9 amended plan for establishing an enhanced 9-1-1 system to:

- 10           (a) every public and private safety agency in the 9-1-1 jurisdiction;
- 11           (b) the department; and
- 12           (c) all providers of telephone service in the 9-1-1 jurisdiction's service area.
- 13           (2) The amended plan must include:
- 14           (a) a description of all capital and recurring costs for the proposed enhanced 9-1-1 system;
- 15           (b) the proposed schedule for implementation of the enhanced 9-1-1 system;
- 16           (c) the proposed expenditures for equipment and software upgrades;
- 17           (d) a plan for maintaining all automatic number identification and all automatic location identification  
18 data bases; and
- 19           (e) a plan for 9-1-1 dispatcher training that must include, at a minimum:
- 20           (i) basic telecommunicator certification awarded upon successful completion of the basic  
21 telecommunicator class offered through the Montana law enforcement academy;
- 22           (ii) emergency medical dispatch certification awarded upon successful completion of one of the  
23 emergency medical dispatch programs that provide dispatch-specific medical training and training and  
24 practice in the use of written or automated medical dispatch protocols; or
- 25           (iii) training that includes handling 9-1-1 emergency telephone calls and relaying information to the  
26 appropriate responder or dispatch agency.
- 27           (3) (a) The department shall determine whether the enhanced 9-1-1 plan complies with the  
28 provisions of this part, including rules adopted pursuant to 10-4-102, and shall inform the 9-1-1 jurisdiction  
29 of its determination within 180 days of receipt of the plan.
- 30           (b) If the department approves an enhanced 9-1-1 plan, the department shall indicate a timetable

1 within which the provider shall undertake necessary conversions to dedicated 9-1-1 circuits. The timetable  
 2 must be such that conversions may not be required unless sufficient funds to compensate the provider for  
 3 its conversion costs are available within 1 year of the initial installation of the 9-1-1 system.

4 (4) If enhanced 9-1-1 has been included as part of an approved final plan for basic 9-1-1, the  
 5 jurisdiction is not required to submit an amended plan for enhanced 9-1-1.

6  
 7 **NEW SECTION. Section 8. Dedicated 9-1-1 telephone facilities to be provided -- capabilities.** Every  
 8 provider of telephone service in an area served by an emergency telephone system established pursuant  
 9 to 10-4-103 shall provide dedicated 9-1-1 telephone facilities capable of providing automatic number  
 10 identification to the public safety answering point. The provision of facilities and services required under  
 11 this section must be accomplished according to a plan, including a timetable, approved pursuant to  
 12 10-4-111.

13  
 14 **Section 9.** Section 10-4-201, MCA, is amended to read:

15 "**10-4-201. Fee Fees imposed for telephone exchange access services.** (1) Except as provided in  
 16 10-4-202;

17 (a) for basic 9-1-1 services, a fee of 25 cents a month per access line on each service subscriber  
 18 in the state is imposed on the amount charged for telephone exchange access services, wireless telephone  
 19 service, or other 9-1-1 accessible services; and

20 (b) for enhanced 9-1-1 services, a fee of 30 cents a month per access line on each service  
 21 subscriber in the state is imposed on the amount charged for telephone exchange access services, wireless  
 22 telephone service, or other 9-1-1 accessible services.

23 (2) The subscriber paying for exchange access line services is liable for the ~~fee~~ fees imposed by  
 24 this section.

25 (3) The provider shall collect the ~~fee~~ fees. The amount of the ~~fee~~ fees collected by the provider is  
 26 considered payment by the subscriber for that amount of ~~fee~~ fees.

27 (4) Any return made by the provider collecting the ~~fee~~ fees is prima facie evidence of payments  
 28 by the subscribers of the amount of fees indicated on the return."

29  
 30 **Section 10.** Section 10-4-202, MCA, is amended to read:

1           **"10-4-202. Exemptions from fee fees imposed.** The ~~fee fees~~ imposed by 10-4-201 ~~does do~~ not  
2 apply to:

3           (1) services that the state is prohibited from taxing under the constitution or laws of the United  
4 States or the constitution or laws of the state of Montana; or

5           (2) amounts paid by depositing coins in a public telephone."  
6

7           **Section 11.** Section 10-4-301, MCA, is amended to read:

8           **"10-4-301. Establishment of emergency telecommunications ~~account~~ accounts.** ~~A 9-1-1~~  
9 ~~emergency telecommunications account is~~

10           (1) There are established in the state special revenue fund in the state treasury:

11           (a) an account for all fees collected for basic 9-1-1 services pursuant to 10-4-201(1)(a); and

12           (b) an account for all fees collected for enhanced 9-1-1 services pursuant to 10-4-201(1)(b).

13           (2) All money received by the department of revenue pursuant to 10-4-201 must be paid to the  
14 state treasurer for deposit in the appropriate account.

15           (3) After payment of refunds pursuant to 10-4-205, the balance of the ~~account~~ respective accounts  
16 must be used for the purposes described in part 1 of this chapter.

17           (4) The distribution of funds in the 9-1-1 emergency telecommunications ~~account~~ accounts  
18 described in subsection (1), according to the requirements of 10-4-302 and [section 14], is statutorily  
19 appropriated.

20           (5) Expenditures for actual and necessary expenses required for the efficient administration of the  
21 plan must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that  
22 purpose."  
23

24           **Section 12.** Section 10-4-302, MCA, is amended to read:

25           **"10-4-302. Distribution of basic 9-1-1 account by department.** (1) The department shall make  
26 quarterly distributions of the entire basic 9-1-1 account ~~beginning on April 1, 1987~~. The distributions must  
27 be made for the following:

28           (a) administrative costs incurred during the preceding calendar quarter by the department of  
29 revenue in carrying out this chapter. The amount paid may not exceed ~~4%~~ 0.5% of the account on the date  
30 of distribution or actual expenses incurred, whichever is less.

1 (b) administrative costs incurred during the preceding calendar quarter by the department in  
2 carrying out its duties under this chapter. The department's annual recovery of costs may not exceed 7%  
3 3.5% of the amount collected by the account during the fiscal year or actual expenses incurred, whichever  
4 is less.

5 (c) costs incurred during the preceding calendar quarter by each provider of telephone service in  
6 the state for:

7 (i) collection of the ~~fee~~ fees imposed by 10-4-201;

8 (ii) modification of central office switching and trunking equipment for emergency telephone service  
9 only; and

10 (iii) conversion of pay station telephones required by 10-4-121.

11 (2) Payments under subsection (1)(c) may be made only after application by the provider to the  
12 department for costs incurred in subsection (1)(c). The department shall review all applications relevant to  
13 subsection (1)(c) for appropriateness of costs claimed by the provider. If the provider contests the review,  
14 payment may not be made until the amount owed the provider is made certain.

15 (3) After all amounts under subsections (1) and (2) have been paid, the balance of the account  
16 must be allocated to cities and counties on a per capita basis. However, each county must be allocated a  
17 minimum of 1% of the balance of the counties' share of the account. A 9-1-1 jurisdiction whose 9-1-1  
18 service area includes more than one city or county is eligible to receive operating funds from the allocation  
19 for each city or county involved. The department shall distribute to the accounting entity designated by a  
20 9-1-1 jurisdiction with an approved final plan the proportional amount for each city or county served by the  
21 9-1-1 jurisdiction. The department shall provide a report indicating the proportional share derived from the  
22 individual city's or county's allocation with each distribution to a 9-1-1 jurisdiction.

23 (4) If the department through its monitoring process determines that a 9-1-1 jurisdiction is not  
24 adhering to an approved plan or is not using funds in the manner prescribed in 10-4-303, the department  
25 may, after notice and hearing, suspend payment to the 9-1-1 jurisdiction. The jurisdiction is not eligible to  
26 receive funds until ~~such time as~~ the department determines that the jurisdiction is complying with the  
27 approved plan and fund usage limitations."  
28

29 **Section 13.** Section 10-4-303, MCA, is amended to read:

30 "**10-4-303. Limitation on use of basic 9-1-1 funds.** Money received under subsection (3) of

1 10-4-302 may be used only to pay for installing, operating, and improving ~~an~~ a basic 9-1-1 emergency  
 2 telephone system ~~using 9-1-1~~. Money not necessary for immediate use may be invested by the city or  
 3 county. The income from the investments ~~shall~~ may be used only for the purposes described in this  
 4 section."

5

6 **NEW SECTION. Section 14. Distribution of enhanced 9-1-1 account by department.** (1) The  
 7 department shall make quarterly distributions of the entire enhanced 9-1-1 account as follows:

8 (a) administrative costs incurred during the preceding calendar quarter by the department of  
 9 revenue in carrying out this chapter. The amount paid may not exceed 0.5% of the account on the date  
 10 of distribution or actual expenses incurred, whichever is less.

11 (b) administrative costs incurred during the preceding calendar quarter by the department in  
 12 carrying out its duties under this chapter. The department's annual recovery of costs may not exceed 3.5%  
 13 of the amount deposited in the account during the fiscal year or actual expenses incurred, whichever is  
 14 less.

15 (c) costs incurred during the preceding calendar quarter by each provider of telephone service in  
 16 the state for:

17 (i) collection of the fee imposed by 10-4-201(1)(b); and

18 (ii) modification of central office switching and trunking equipment necessary to provide service  
 19 for an enhanced 9-1-1 system only.

20 (2) Payments under subsection (1)(c) may be made only after application by the provider to the  
 21 department for costs described in subsection (1)(c). The department shall review all applications relevant  
 22 to subsection (1)(c) for appropriateness of costs claimed by the provider. If the provider contests the  
 23 review, payment may not be made until the amount owed the provider is made certain.

24 (3) After all amounts under subsections (1) and (2) have been paid:

25 (a) FOR EACH FISCAL YEAR THROUGH THE FISCAL YEAR ENDING JUNE 30, 2007:

26 (I) 84% of the balance of the account must be allocated to cities and counties on a per capita  
 27 basis. However, each county must be allocated a minimum of 1% of the balance of the counties' share of  
 28 the account.

29 ~~(II)~~ the remaining 16% of the balance of the account must be distributed evenly to the counties  
 30 with 1% or less than 1% of the total population; AND

1           (B) FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2007, 100% OF THE BALANCE OF THE  
 2 ACCOUNT MUST BE ALLOCATED TO CITIES AND COUNTIES ON A PER CAPITA BASIS. HOWEVER,  
 3 EACH COUNTY MUST BE ALLOCATED A MINIMUM OF 1% OF THE BALANCE OF THE COUNTIES' SHARE  
 4 OF THE ACCOUNT.

5           (4) An enhanced 9-1-1 jurisdiction whose enhanced 9-1-1 service area includes more than one city  
 6 or county is eligible to receive operating funds from the allocation for each city or county involved. The  
 7 department shall distribute to the accounting entity designated by an enhanced 9-1-1 jurisdiction with an  
 8 approved final plan for enhanced 9-1-1 service the proportional amount for each city or county served by  
 9 the enhanced 9-1-1 jurisdiction. The department shall, upon request, provide a report indicating the  
 10 proportional share derived from the individual city's or county's allocation with each distribution to a 9-1-1  
 11 jurisdiction.

12           (5) If the department determines that an enhanced service 9-1-1 jurisdiction is not adhering to an  
 13 approved plan for enhanced 9-1-1 service or is not using funds in the manner prescribed in [section 15],  
 14 the department may, after giving notice to the jurisdiction and providing an opportunity for a representative  
 15 of the jurisdiction to comment on the department's determination, suspend payment from the enhanced  
 16 9-1-1 account to the 9-1-1 jurisdiction. The jurisdiction is not eligible to receive funds from the enhanced  
 17 9-1-1 account until the department determines that the jurisdiction is complying with the approved plan for  
 18 enhanced 9-1-1 and fund usage limitations.

19  
 20           NEW SECTION. Section 15. Limitation on use of enhanced 9-1-1 funds. Money received under  
 21 [section 14(3) or (4)] may be used only to pay for installing enhanced 9-1-1 features, or for operating and  
 22 improving an emergency telephone system using 9-1-1 once the plan for converting to enhanced 9-1-1 has  
 23 been approved. Money not necessary for immediate use may be invested by the city or county. The  
 24 income from the investments may be used only for the purposes described in this section.

25  
 26           NEW SECTION. Section 16. Codification instruction. (1) [Sections 7 and 8] are intended to be  
 27 codified as an integral part of Title 10, chapter 4, part 1, and the provisions of Title 10, chapter 4, apply  
 28 to [sections 7 and 8].

29           (2) [Sections 14 and 15] are intended to be codified as an integral part of Title 10, chapter 4, part  
 30 3, and the provisions of Title 10, chapter 4, apply to [sections 14 and 15].



1            **NEW SECTION. Section 17. Applicability.** (1) Except as provided in subsections (2) and (3), [this  
2 act] applies on July 1, 1997.

3            (2) [Sections 7, 18, and this section] apply on passage and approval.

4            (3) [Section 14] applies to calendar quarters beginning on or after October 1, 1997.

5

6            **NEW SECTION. Section 18. Effective dates.** (1) Except as provided in subsection (2), [this act]  
7 is effective July 1, 1997.

8            (2) [Section 7 and this section] are effective on passage and approval.

9

-END-

## 1 HOUSE BILL NO. 210

2 INTRODUCED BY HAYNE, KITZENBERG, ECK, MASOLO, NELSON, BARTLETT, HARPER, DEVANEY

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ENABLING 9-1-1 EMERGENCY TELEPHONE SYSTEMS TO  
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6 SYSTEMS; ESTABLISHING REQUIREMENTS FOR BASIC 9-1-1 AND ENHANCED 9-1-1 SYSTEMS;  
7 ESTABLISHING FEES FOR BASIC 9-1-1 AND ENHANCED 9-1-1 SYSTEMS; CLARIFYING THE SERVICES  
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29 part 10.30 ~~(3)(4)~~ "Direct dispatch method" means a 9-1-1 service in which a public safety answering point,

1 upon receipt of a telephone request for emergency services, provides for a decision as to the proper action  
2 to be taken and for dispatch of appropriate emergency service units.

3 ~~(4)~~(5) "Emergency" means any event that requires dispatch of a public or private safety agency.

4 ~~(5)~~(6) "Emergency services" means services provided by any public or private safety agency,  
5 including law enforcement, firefighting, ambulance or medical services, and civil defense services.

6 (7) "Enhanced 9-1-1 account" means the 9-1-1 emergency telecommunications account established  
7 in 10-4-301(1)(b).

8 (8) "Enhanced 9-1-1 system" means a system:

9 (a) consisting of selective routing with the capability of automatic number identification and  
10 automatic location identification at a public safety answering point enabling users of the public  
11 telecommunications system to request emergency services by dialing the digits 9-1-1; and

12 (b) that includes customer premises equipment directly related to the operation of an enhanced  
13 9-1-1 system, including but not limited to automatic number identification or automatic location  
14 identification controllers and display units, printers, and software associated with call detail recording.

15 ~~(6)~~(9) "Exchange access services" means:

16 (a) telephone exchange access lines or channels that provide local access from the premises of a  
17 subscriber in this state to the local telecommunications network to effect the transfer of information; and

18 (b) unless a separate tariff rate is charged ~~therefor~~ for the exchange access lines or channels, any  
19 facility or service provided in connection with the services described in subsection ~~(6)~~ (9)(a).

20 ~~(7)~~(10) "Local government" means any city, county, or political subdivision of the state and its  
21 agencies.

22 ~~(8) "Minimum 9-1-1 service" means a telephone service meeting the standards established in~~  
23 ~~10-4-102 that automatically connects a person dialing the digits 9-1-1 to an established public safety~~  
24 ~~answering point. "Minimum 9-1-1 services" includes equipment for connecting and outswitching 9-1-1 calls~~  
25 ~~within a telephone central office, trunking facilities from the central office to a public safety answering~~  
26 ~~point, and equipment, as appropriate, for transferring the call to another point, when appropriate.~~

27 ~~(9)~~(11) A "9-1-1 jurisdiction" means a group of public or private safety agencies who operate  
28 within or are affected by one or more common central office boundaries and who have agreed in writing  
29 to jointly plan a 9-1-1 emergency telephone system.

30 ~~(10)~~(12) "Private safety agency" means any entity, except a public safety agency, providing

1 emergency fire, ambulance, or medical services.

2 ~~(14)~~(13) "Provider" means a public utility, cooperative telephone company, or any other entity that  
3 provides telephone exchange access services.

4 ~~(12)~~(14) "Public safety agency" means the state and any city, county, city-county consolidated  
5 government, municipal corporation, chartered organization, public district, or public authority located in  
6 whole or in part within this state that provides or has authority to provide emergency services.

7 ~~(13)~~(15) "Public safety answering point" means a communications facility operated on a 24-hour  
8 basis that first receives 9-1-1 calls from persons in a 9-1-1 service area and ~~which~~ that may, as appropriate,  
9 directly dispatch public or private safety services or transfer or relay 9-1-1 calls to appropriate public safety  
10 agencies.

11 ~~(14)~~(16) "Relay method" means a 9-1-1 service in which a public safety answering point, upon  
12 receipt of a telephone request for emergency services, notes the pertinent information from the caller and  
13 relays ~~such~~ the information to the appropriate public safety agency, other agencies, or other providers of  
14 emergency services for dispatch of an emergency unit.

15 ~~(15)~~(17) "Subscriber" means an end user who receives telephone exchange access services.

16 ~~(16)~~(18) "Transfer method" means a 9-1-1 service in which a public safety answering point, upon  
17 receipt of a telephone request for emergency services, directly transfers ~~such a~~ the request to an  
18 appropriate public safety answering agency or other provider of emergency services."  
19

20 **Section 2.** Section 10-4-102, MCA, is amended to read:

21 **"10-4-102. Department of administration duties and powers.** (1) The department shall assist in  
22 the development of basic and enhanced 9-1-1 systems in the state. The department shall:

23 (a) establish procedures for determining and evaluating requests for variations from ~~minimum~~ basic  
24 or enhanced 9-1-1 service;

25 (b) upon request of a 9-1-1 jurisdiction, assist in planning ~~an emergency~~ a basic or enhanced 9-1-1  
26 telephone system;

27 (c) establish criteria for evaluating basic and enhanced 9-1-1 system plans;

28 (d) monitor implementation of approved basic and enhanced 9-1-1 system plans for compliance  
29 with the plan and use of funding; and

30 (e) as it finds necessary, report to the legislature the progress made in implementing a statewide

1 ~~emergency telephone system~~ basic and enhanced 9-1-1 systems.

2 (2) The department shall obtain input from all 9-1-1 jurisdictions by creating an advisory council  
3 to participate in development and implementation of the 9-1-1 program in the state. The council must be  
4 established pursuant to 2-15-122. The highway patrol, emergency medical services organizations, telephone  
5 companies, the associated public safety communicators, the department of emergency services, police  
6 departments, sheriff's departments, local citizens, organizations, and other public safety organizations may  
7 submit recommendations for membership on the advisory council."

8

9 **Section 3.** Section 10-4-103, MCA, is amended to read:

10 "**10-4-103. Emergency telephone system requirements.** (1) Every public and private safety agency  
11 in this state may establish or participate in ~~an~~ a basic or enhanced 9-1-1 emergency telephone system.

12 (2) ~~An~~ A basic 9-1-1 emergency telephone system must include:

13 (a) a 24-hour communications facility automatically accessible anywhere in the 9-1-1 jurisdiction's  
14 service area by dialing 9-1-1;

15 (b) direct dispatch of public and private safety services in the 9-1-1 jurisdiction or relay or transfer  
16 of 9-1-1 calls to an appropriate public or private safety agency; and

17 (c) a 24-hour communications facility equipped with at least two trunk-hunting local access circuits  
18 provided by the local telephone company's central office.

19 (3) An enhanced 9-1-1 system must include, in addition to the requirements for a basic 9-1-1  
20 system:

21 (a) automatic number identification that automatically identifies and displays the calling telephone  
22 number at the public safety answering point; and

23 (b) automatic location identification that automatically identifies and displays the address of the  
24 calling telephone at the public safety answering point.

25 (4) The primary emergency telephone number within the state is 9-1-1, but a public safety  
26 answering point shall maintain both a separate seven-digit secondary emergency number for use by the  
27 telephone company operator and a separate seven-digit nonemergency number."

28

29 **Section 4.** Section 10-4-111, MCA, is amended to read:

30 "**10-4-111. Submission of preliminary plans for 9-1-1 jurisdictions -- review -- cost estimates.** (1)

1 A 9-1-1 jurisdiction may submit a preliminary plan for establishing ~~a~~ a basic or enhanced 9-1-1 emergency  
2 telephone system in accordance with 10-4-103 to:

- 3 (a) public and private safety agencies in the 9-1-1 jurisdiction;  
4 (b) the department; and  
5 (c) providers of telephone service in the 9-1-1 jurisdiction's service area.

6 (2) The department shall review the preliminary plan for compliance with 10-4-103 and rules  
7 adopted pursuant to 10-4-102 and report its approval or disapproval to the 9-1-1 jurisdiction within 90 days  
8 of receipt of the plan.

9 (3) A provider of telephone service in the 9-1-1 jurisdiction's service area shall, within 90 days of  
10 receipt of the plan, provide the 9-1-1 jurisdiction with a good faith estimate of the cost to the 9-1-1  
11 jurisdiction for implementing the plan."  
12

13 **Section 5.** Section 10-4-112, MCA, is amended to read:

14 **"10-4-112. Submission and approval of final plans -- exception.** (1) A 9-1-1 jurisdiction shall  
15 submit a proposed final plan for establishing ~~a~~ a basic or enhanced 9-1-1 emergency telephone system  
16 pursuant to 10-4-103 within 1 year from receipt of the department's approval of its preliminary plan to:

- 17 (a) public and private safety agencies in the 9-1-1 jurisdiction;  
18 (b) the department; and  
19 (c) providers of telephone service in the 9-1-1 jurisdiction's service area.

20 (2) In addition to other matters required by 10-4-103, the final plan must include a description of  
21 all capital and recurring costs for the proposed emergency 9-1-1 telephone system.

22 (3) The department shall determine whether the final plan complies with 10-4-103 and rules  
23 adopted pursuant to 10-4-102. Subject to 10-4-113, if the department determines that the plan complies,  
24 it shall approve the plan, or if the department determines that the plan does not comply, it shall disapprove  
25 the plan. The department shall inform the 9-1-1 jurisdiction of its decision within 180 days of receipt of the  
26 plan. In any statement approving a final plan, the department shall indicate a timetable in which the provider  
27 shall undertake necessary telephone system conversions. The timetable must be such that conversions may  
28 not be required unless sufficient funds to compensate the provider for its conversion costs are available  
29 within 1 year of the initial installation of the 9-1-1 system."  
30

1           **Section 6.** Section 10-4-113, MCA, is amended to read:

2           **"10-4-113. Requirement for approval of final plan -- department to insure compliance.** The  
3 department may not approve the preliminary or final plan ~~of~~ for basic or enhanced 9-1-1 service within a  
4 9-1-1 jurisdiction unless the plan is accompanied by a written approval from the governing bodies of all  
5 participating public and private safety agencies included in the 9-1-1 jurisdiction."  
6

7           **NEW SECTION.** **Section 7. Submission of revised plan for conversion from basic 9-1-1 to**  
8 **enhanced 9-1-1.** (1) A jurisdiction intending to implement an enhanced 9-1-1 system shall submit an  
9 amended plan for establishing an enhanced 9-1-1 system to:

- 10           (a) every public and private safety agency in the 9-1-1 jurisdiction;
- 11           (b) the department; and
- 12           (c) all providers of telephone service in the 9-1-1 jurisdiction's service area.
- 13           (2) The amended plan must include:
- 14           (a) a description of all capital and recurring costs for the proposed enhanced 9-1-1 system;
- 15           (b) the proposed schedule for implementation of the enhanced 9-1-1 system;
- 16           (c) the proposed expenditures for equipment and software upgrades;
- 17           (d) a plan for maintaining all automatic number identification and all automatic location identification  
18 data bases; and
- 19           (e) a plan for 9-1-1 dispatcher training that must include, at a minimum:
- 20           (i) basic telecommunicator certification awarded upon successful completion of the basic  
21 telecommunicator class offered through the Montana law enforcement academy;
- 22           (ii) emergency medical dispatch certification awarded upon successful completion of one of the  
23 emergency medical dispatch programs that provide dispatch-specific medical training and training and  
24 practice in the use of written or automated medical dispatch protocols; or
- 25           (iii) training that includes handling 9-1-1 emergency telephone calls and relaying information to the  
26 appropriate responder or dispatch agency.
- 27           (3) (a) The department shall determine whether the enhanced 9-1-1 plan complies with the  
28 provisions of this part, including rules adopted pursuant to 10-4-102, and shall inform the 9-1-1 jurisdiction  
29 of its determination within 180 days of receipt of the plan.

30           (b) If the department approves an enhanced 9-1-1 plan, the department shall indicate a timetable

1 within which the provider shall undertake necessary conversions to dedicated 9-1-1 circuits. The timetable  
 2 must be such that conversions may not be required unless sufficient funds to compensate the provider for  
 3 its conversion costs are available within 1 year of the initial installation of the 9-1-1 system.

4 (4) If enhanced 9-1-1 has been included as part of an approved final plan for basic 9-1-1, the  
 5 jurisdiction is not required to submit an amended plan for enhanced 9-1-1.

6  
 7 **NEW SECTION. Section 8. Dedicated 9-1-1 telephone facilities to be provided -- capabilities.** Every  
 8 provider of telephone service in an area served by an emergency telephone system established pursuant  
 9 to 10-4-103 shall provide dedicated 9-1-1 telephone facilities capable of providing automatic number  
 10 identification to the public safety answering point. The provision of facilities and services required under  
 11 this section must be accomplished according to a plan, including a timetable, approved pursuant to  
 12 10-4-111.

13  
 14 **Section 9.** Section 10-4-201, MCA, is amended to read:

15 **"10-4-201. Fee Fees imposed for telephone exchange access services.** (1) Except as provided in  
 16 10-4-202;

17 (a) for basic 9-1-1 services, a fee of 25 cents a month per access line on each service subscriber  
 18 in the state is imposed on the amount charged for telephone exchange access services, wireless telephone  
 19 service, or other 9-1-1 accessible services; and

20 (b) for enhanced 9-1-1 services, a fee of 30 cents a month per access line on each service  
 21 subscriber in the state is imposed on the amount charged for telephone exchange access services, wireless  
 22 telephone service, or other 9-1-1 accessible services.

23 (2) The subscriber paying for exchange access line services is liable for the ~~fee~~ fees imposed by  
 24 this section.

25 (3) The provider shall collect the ~~fee~~ fees. The amount of the ~~fee~~ fees collected by the provider is  
 26 considered payment by the subscriber for that amount of ~~fee~~ fees.

27 (4) Any return made by the provider collecting the ~~fee~~ fees is prima facie evidence of payments  
 28 by the subscribers of the amount of fees indicated on the return."

29  
 30 **Section 10.** Section 10-4-202, MCA, is amended to read:



1           **"10-4-202. Exemptions from fee fees imposed.** The ~~fee fees~~ imposed by 10-4-201 ~~does do~~ not  
2 apply to:

3           (1) services that the state is prohibited from taxing under the constitution or laws of the United  
4 States or the constitution or laws of the state of Montana; or

5           (2) amounts paid by depositing coins in a public telephone."  
6

7           **Section 11.** Section 10-4-301, MCA, is amended to read:

8           **"10-4-301. Establishment of emergency telecommunications ~~account~~ accounts.** ~~A 9-1-1~~  
9 ~~emergency telecommunications account is~~

10           (1) There are established in the state special revenue fund in the state treasury:

11           (a) an account for all fees collected for basic 9-1-1 services pursuant to 10-4-201(1)(a); and

12           (b) an account for all fees collected for enhanced 9-1-1 services pursuant to 10-4-201(1)(b).

13           (2) All money received by the department of revenue pursuant to 10-4-201 must be paid to the  
14 state treasurer for deposit in the appropriate account.

15           (3) After payment of refunds pursuant to 10-4-205, the balance of the ~~account~~ respective accounts  
16 must be used for the purposes described in part 1 of this chapter.

17           (4) The distribution of funds in the 9-1-1 emergency telecommunications ~~account~~ accounts  
18 described in subsection (1), according to the requirements of 10-4-302 and [section 14], is statutorily  
19 appropriated.

20           (5) Expenditures for actual and necessary expenses required for the efficient administration of the  
21 plan must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that  
22 purpose."

23

24           **Section 12.** Section 10-4-302, MCA, is amended to read:

25           **"10-4-302. Distribution of basic 9-1-1 account by department.** (1) The department shall make  
26 quarterly distributions of the entire basic 9-1-1 account ~~beginning on April 1, 1987~~. The distributions must  
27 be made for the following:

28           (a) administrative costs incurred during the preceding calendar quarter by the department of  
29 revenue in carrying out this chapter. The amount paid may not exceed ~~4%~~ 0.5% of the account on the date  
30 of distribution or actual expenses incurred, whichever is less.

1 (b) administrative costs incurred during the preceding calendar quarter by the department in  
2 carrying out its duties under this chapter. The department's annual recovery of costs may not exceed ~~7%~~  
3 3.5% of the amount collected by the account during the fiscal year or actual expenses incurred, whichever  
4 is less.

5 (c) costs incurred during the preceding calendar quarter by each provider of telephone service in  
6 the state for:

7 (i) collection of the ~~fee~~ fees imposed by 10-4-201;

8 (ii) modification of central office switching and trunking equipment for emergency telephone service  
9 only; and

10 (iii) conversion of pay station telephones required by 10-4-121.

11 (2) Payments under subsection (1)(c) may be made only after application by the provider to the  
12 department for costs incurred in subsection (1)(c). The department shall review all applications relevant to  
13 subsection (1)(c) for appropriateness of costs claimed by the provider. If the provider contests the review,  
14 payment may not be made until the amount owed the provider is made certain.

15 (3) After all amounts under subsections (1) and (2) have been paid, the balance of the account  
16 must be allocated to cities and counties on a per capita basis. However, each county must be allocated a  
17 minimum of 1% of the balance of the counties' share of the account. A 9-1-1 jurisdiction whose 9-1-1  
18 service area includes more than one city or county is eligible to receive operating funds from the allocation  
19 for each city or county involved. The department shall distribute to the accounting entity designated by a  
20 9-1-1 jurisdiction with an approved final plan the proportional amount for each city or county served by the  
21 9-1-1 jurisdiction. The department shall provide a report indicating the proportional share derived from the  
22 individual city's or county's allocation with each distribution to a 9-1-1 jurisdiction.

23 (4) If the department through its monitoring process determines that a 9-1-1 jurisdiction is not  
24 adhering to an approved plan or is not using funds in the manner prescribed in 10-4-303, the department  
25 may, after notice and hearing, suspend payment to the 9-1-1 jurisdiction. The jurisdiction is not eligible to  
26 receive funds until ~~such time as~~ the department determines that the jurisdiction is complying with the  
27 approved plan and fund usage limitations.

28 (5) THE DEPARTMENT SHALL DISTRIBUTE ANY BALANCE IN THE BASIC 9-1-1 ACCOUNT ON  
29 JULY 1, 1998, ON A PER CAPITA BASIS TO THOSE 9-1-1 JURISDICTIONS THAT HAVE APPROVED FINAL  
30 PLANS FILED WITH THE DEPARTMENT AS REQUIRED BY 10-4-112."

1           **Section 13.** Section 10-4-303, MCA, is amended to read:

2           **"10-4-303. Limitation on use of basic 9-1-1 funds.** Money received under subsection (3) of  
3 10-4-302 may be used only to pay for installing, operating, and improving ~~an~~ a basic 9-1-1 emergency  
4 telephone system ~~using 9-1-1~~. Money not necessary for immediate use may be invested by the city or  
5 county. The income from the investments ~~shall~~ may be used only for the purposes described in this  
6 section."

7  
8           **NEW SECTION. Section 14. Distribution of enhanced 9-1-1 account by department.** (1) The  
9 department shall make quarterly distributions of the entire enhanced 9-1-1 account as follows:

10           (a) administrative costs incurred during the preceding calendar quarter by the department of  
11 revenue in carrying out this chapter. The amount paid may not exceed 0.5% of the account on the date  
12 of distribution or actual expenses incurred, whichever is less.

13           (b) administrative costs incurred during the preceding calendar quarter by the department in  
14 carrying out its duties under this chapter. The department's annual recovery of costs may not exceed 3.5%  
15 of the amount deposited in the account during the fiscal year or actual expenses incurred; whichever is  
16 less.

17           (c) costs incurred during the preceding calendar quarter by each provider of telephone service in  
18 the state for:

19           (i) collection of the fee imposed by 10-4-201(1)(b); and

20           (ii) modification of central office switching and trunking equipment necessary to provide service  
21 for an enhanced 9-1-1 system only.

22           (2) Payments under subsection (1)(c) may be made only after application by the provider to the  
23 department for costs described in subsection (1)(c). The department shall review all applications relevant  
24 to subsection (1)(c) for appropriateness of costs claimed by the provider. If the provider contests the  
25 review, payment may not be made until the amount owed the provider is made certain.

26           (3) After all amounts under subsections (1) and (2) have been paid:

27           (a) FOR EACH FISCAL YEAR THROUGH THE FISCAL YEAR ENDING JUNE 30, 2007:

28           (i) 84% of the balance of the account must be allocated to cities and counties on a per capita  
29 basis. However, each county must be allocated a minimum of 1% of the balance of the counties' share of  
30 the account.

1           ~~(B)(III)~~ the remaining 16% of the balance of the account must be distributed evenly to the counties  
2 with 1% or less than 1% of the total population; AND

3           (B) FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2007, 100% OF THE BALANCE OF THE  
4 ACCOUNT MUST BE ALLOCATED TO CITIES AND COUNTIES ON A PER CAPITA BASIS. HOWEVER,  
5 EACH COUNTY MUST BE ALLOCATED A MINIMUM OF 1% OF THE BALANCE OF THE COUNTIES' SHARE  
6 OF THE ACCOUNT.

7           (4) An enhanced 9-1-1 jurisdiction whose enhanced 9-1-1 service area includes more than one city  
8 or county is eligible to receive operating funds from the allocation for each city or county involved. The  
9 department shall distribute to the accounting entity designated by an enhanced 9-1-1 jurisdiction with an  
10 approved final plan for enhanced 9-1-1 service the proportional amount for each city or county served by  
11 the enhanced 9-1-1 jurisdiction. The department shall, upon request, provide a report indicating the  
12 proportional share derived from the individual city's or county's allocation with each distribution to a 9-1-1  
13 jurisdiction.

14           (5) If the department determines that an enhanced service 9-1-1 jurisdiction is not adhering to an  
15 approved plan for enhanced 9-1-1 service or is not using funds in the manner prescribed in [section 15],  
16 the department may, after giving notice to the jurisdiction and providing an opportunity for a representative  
17 of the jurisdiction to comment on the department's determination, suspend payment from the enhanced  
18 9-1-1 account to the 9-1-1 jurisdiction. The jurisdiction is not eligible to receive funds from the enhanced  
19 9-1-1 account until the department determines that the jurisdiction is complying with the approved plan for  
20 enhanced 9-1-1 and fund usage limitations.

21  
22           NEW SECTION. Section 15. Limitation on use of enhanced 9-1-1 funds. (1) Money received under  
23 [section 14(3) or (4)] may be used only to pay for installing enhanced 9-1-1 features, or for operating and  
24 improving an emergency telephone system using 9-1-1 once the plan for converting to enhanced 9-1-1 has  
25 been approved.

26           (2) WITH DEPARTMENT APPROVAL, MONEY RECEIVED UNDER [SECTION 14(3) OR (4)] MAY BE  
27 USED TO PAY FOR BASIC 9-1-1 SERVICE. THE 9-1-1 JURISDICTION SHALL SUBMIT A REQUEST FOR  
28 AN EXCEPTION UNDER THIS SUBSECTION TO THE DEPARTMENT BASED ON A DEMONSTRATED  
29 HARDSHIP, INCLUDING GEOGRAPHICAL CONSTRAINTS, FUNDING LIMITATIONS, OR ABSENCE OF  
30 TECHNICAL CAPABILITY OR CAPACITY.

1           (3) Money not necessary for immediate use may be invested by the city or county. The income  
2 from the investments may be used only for the purposes described in this section.  
3

4           **NEW SECTION. Section 16. Codification instruction.** (1) [Sections 7 and 8] are intended to be  
5 codified as an integral part of Title 10, chapter 4, part 1, and the provisions of Title 10, chapter 4, apply  
6 to [sections 7 and 8].

7           (2) [Sections 14 and 15] are intended to be codified as an integral part of Title 10, chapter 4, part  
8 3, and the provisions of Title 10, chapter 4, apply to [sections 14 and 15].  
9

10           **NEW SECTION. Section 17. Applicability.** (1) Except as provided in subsections (2) and (3), [this  
11 act] applies on July 1, 1997.

12           (2) [Sections 7, 18, and this section] apply on passage and approval.

13           (3) [Section 14] applies to calendar quarters beginning on or after October 1, 1997.  
14

15           **NEW SECTION. Section 18. Effective dates.** (1) Except as provided in subsection (2), [this act]  
16 is effective July 1, 1997.

17           (2) [Section 7 and this section] are effective on passage and approval.  
18

-END-

## HOUSE BILL NO. 210

INTRODUCED BY HAYNE, KITZENBERG, ECK, MASOLO, NELSON, BARTLETT, HARPER, DEVANEY

A BILL FOR AN ACT ENTITLED: "AN ACT ENABLING 9-1-1 EMERGENCY TELEPHONE SYSTEMS TO PROVIDE ENHANCED 9-1-1 SERVICES; DISTINGUISHING BASIC 9-1-1 SYSTEMS FROM ENHANCED 9-1-1 SYSTEMS; ESTABLISHING REQUIREMENTS FOR BASIC 9-1-1 AND ENHANCED 9-1-1 SYSTEMS; ESTABLISHING FEES FOR BASIC 9-1-1 AND ENHANCED 9-1-1 SYSTEMS; CLARIFYING THE SERVICES TO WHICH 9-1-1 FEES APPLY; PROVIDING FOR ACCOUNTING FOR BASIC 9-1-1 AND ENHANCED 9-1-1 FEES; CLARIFYING THE STATUTORY APPROPRIATION OF ENHANCED 9-1-1 FEES; PROVIDING LIMITS ON AND REQUIREMENTS FOR THE DISTRIBUTION OF AND THE EXPENDITURE OF BASIC 9-1-1 AND ENHANCED 9-1-1 FEES; AMENDING SECTIONS 10-4-101, 10-4-102, 10-4-103, 10-4-111, 10-4-112, 10-4-113, 10-4-201, 10-4-202, 10-4-301, 10-4-302, AND 10-4-303, MCA; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 10-4-101, MCA, is amended to read:

**"10-4-101. Definitions.** As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) ~~Account~~ "Basic 9-1-1 account" means the 9-1-1 emergency telecommunications account established in ~~10-4-301~~ 10-4-301(1)(a).

(2) ~~(a)~~ "Basic 9-1-1 service" means a telephone service meeting the standards established in 10-4-102 that automatically connects a person dialing the digits 9-1-1 to an established public safety answering point.

~~(b)(3)~~ "Basic 9-1-1 services" SYSTEM includes equipment for connecting and outswitching 9-1-1 calls within a telephone central office, trunking facilities from the central office to a public safety answering point, and equipment, as appropriate, THAT IS USED for transferring the call to another point, when appropriate, AND THAT IS CAPABLE OF PROVIDING BASIC 9-1-1 SERVICE.

~~(2)(3)(4)~~ "Department" means the department of administration provided for in Title 2, chapter 15, part 10.

1           ~~(3)(4)(5)~~ "Direct dispatch method" means a 9-1-1 service in which a public safety answering point,  
2 upon receipt of a telephone request for emergency services, provides for a decision as to the proper action  
3 to be taken and for dispatch of appropriate emergency service units.

4           ~~(4)(5)(6)~~ "Emergency" means any event that requires dispatch of a public or private safety agency.

5           ~~(5)(6)(7)~~ "Emergency services" means services provided by any public or private safety agency,  
6 including law enforcement, firefighting, ambulance or medical services, and civil defense services.

7           ~~(7)(8)~~ "Enhanced 9-1-1 account" means the 9-1-1 emergency telecommunications account  
8 established in 10-4-301(1)(b).

9           ~~(8)(9)~~ "Enhanced 9-1-1 system" SERVICE" means a system:

10           ~~(a) consisting~~ TELEPHONE SERVICE THAT MEETS THE REQUIREMENTS FOR BASIC 9-1-1  
11 SERVICE AND THAT CONSISTS of selective routing with the capability of automatic number identification  
12 and automatic location identification at a public safety answering point enabling users of the public  
13 telecommunications system to request emergency services by dialing the digits 9-1-1; and.

14           ~~(b) that~~ (10) "ENHANCED 9-1-1 SYSTEM" includes customer premises equipment THAT IS directly  
15 related to the operation of an enhanced 9-1-1 system, including but not limited to automatic number  
16 identification or automatic location identification controllers and display units, printers, and software  
17 associated with call detail recording, AND THAT IS CAPABLE OF PROVIDING ENHANCED 9-1-1 SERVICE.

18           ~~(6)(9)(11)~~ "Exchange access services" means:

19           (a) telephone exchange access lines or channels that provide local access from the premises of a  
20 subscriber in this state to the local telecommunications network to effect the transfer of information; and

21           (b) unless a separate tariff rate is charged ~~therefor~~ for the exchange access lines or channels, any  
22 facility or service provided in connection with the services described in subsection ~~(6) (9)(a) (11)(A)~~.

23           ~~(7)(10)(12)~~ "Local government" means any city, county, or political subdivision of the state and  
24 its agencies.

25           ~~(8) "Minimum 9-1-1 service" means a telephone service meeting the standards established in~~  
26 ~~10-4-102 that automatically connects a person dialing the digits 9-1-1 to an established public safety~~  
27 ~~answering point. "Minimum 9-1-1 services" includes equipment for connecting and outswitching 9-1-1 calls~~  
28 ~~within a telephone central office, trunking facilities from the central office to a public safety answering~~  
29 ~~point, and equipment, as appropriate, for transferring the call to another point, when appropriate.~~

30           ~~(9)(11)(13)~~ A "9-1-1 jurisdiction" means a group of public or private safety agencies who operate

1 within or are affected by one or more common central office boundaries and who have agreed in writing  
2 to jointly plan a 9-1-1 emergency telephone system.

3 ~~(10)(12)(14)~~ "Private safety agency" means any entity, except a public safety agency, providing  
4 emergency fire, ambulance, or medical services.

5 ~~(11)(13)(15)~~ "Provider" means a public utility, cooperative telephone company, or any other entity  
6 that provides telephone exchange access services.

7 ~~(12)(14)(16)~~ "Public safety agency" means the state and any city, county, city-county consolidated  
8 government, municipal corporation, chartered organization, public district, or public authority located in  
9 whole or in part within this state that provides or has authority to provide emergency services.

10 ~~(13)(15)(17)~~ "Public safety answering point" means a communications facility operated on a  
11 24-hour basis that first receives 9-1-1 calls from persons in a 9-1-1 service area and ~~which~~ that may, as  
12 appropriate, directly dispatch public or private safety services or transfer or relay 9-1-1 calls to appropriate  
13 public safety agencies.

14 ~~(14)(16)(18)~~ "Relay method" means a 9-1-1 service in which a public safety answering point, upon  
15 receipt of a telephone request for emergency services, notes the pertinent information from the caller and  
16 relays ~~such~~ the information to the appropriate public safety agency, other agencies, or other providers of  
17 emergency services for dispatch of an emergency unit.

18 ~~(15)(17)(19)~~ "Subscriber" means an end user who receives telephone exchange access services.

19 ~~(16)(18)(20)~~ "Transfer method" means a 9-1-1 service in which a public safety answering point,  
20 upon receipt of a telephone request for emergency services, directly transfers ~~such a~~ the request to an  
21 appropriate public safety answering agency or other provider of emergency services."  
22

23 **Section 2.** Section 10-4-102, MCA, is amended to read:

24 **"10-4-102. Department of administration duties and powers.** (1) The department shall assist in  
25 the development of basic and enhanced 9-1-1 systems in the state. The department shall:

26 (a) establish procedures for determining and evaluating requests for variations from ~~minimum~~ basic  
27 or enhanced 9-1-1 service;

28 (b) upon request of a 9-1-1 jurisdiction, assist in planning ~~an emergency~~ a basic or enhanced 9-1-1  
29 ~~telephone~~ system;

30 (c) establish criteria for evaluating basic and enhanced 9-1-1 system plans;



1 (d) monitor implementation of approved basic and enhanced 9-1-1 system plans for compliance  
2 with the plan and use of funding; and

3 (e) as it finds necessary, report to the legislature the progress made in implementing a statewide  
4 ~~emergency telephone system~~ basic and enhanced 9-1-1 systems.

5 (2) The department shall obtain input from all 9-1-1 jurisdictions by creating an advisory council  
6 to participate in development and implementation of the 9-1-1 program in the state. The council must be  
7 established pursuant to 2-15-122. The highway patrol, emergency medical services organizations, telephone  
8 companies, the associated public safety communicators, the department of emergency services, police  
9 departments, sheriff's departments, local citizens, organizations, and other public safety organizations may  
10 submit recommendations for membership on the advisory council."

11  
12 **Section 3.** Section 10-4-103, MCA, is amended to read:

13 **"10-4-103. Emergency telephone system requirements.** (1) Every public and private safety agency  
14 in this state may establish or participate in ~~an~~ a basic or enhanced 9-1-1 ~~emergency telephone~~ system.

15 (2) ~~An~~ A basic 9-1-1 ~~emergency telephone~~ system must include:

16 (a) a 24-hour communications facility automatically accessible anywhere in the 9-1-1 jurisdiction's  
17 service area by dialing 9-1-1;

18 (b) direct dispatch of public and private safety services in the 9-1-1 jurisdiction or relay or transfer  
19 of 9-1-1 calls to an appropriate public or private safety agency; and

20 (c) a 24-hour communications facility equipped with at least two trunk-hunting local access circuits  
21 provided by the local telephone company's central office.

22 (3) An enhanced 9-1-1 system must include, in addition to the requirements for a basic 9-1-1  
23 system:

24 (a) automatic number identification that automatically identifies and displays the calling telephone  
25 number at the public safety answering point; and

26 (b) automatic location identification that automatically identifies and displays the address of the  
27 calling telephone at the public safety answering point.

28 (4) The primary emergency telephone number within the state is 9-1-1, but a public safety  
29 answering point shall maintain both a separate seven-digit secondary emergency number for use by the  
30 telephone company operator and a separate seven-digit nonemergency number."

1           **Section 4.** Section 10-4-111, MCA, is amended to read:

2           **"10-4-111. Submission of preliminary plans for 9-1-1 jurisdictions -- review -- cost estimates.** (1)

3 A 9-1-1 jurisdiction may submit a preliminary plan for establishing ~~an~~ a basic or enhanced 9-1-1 emergency  
4 ~~telephone~~ system in accordance with 10-4-103 to:

5           (a) public and private safety agencies in the 9-1-1 jurisdiction;

6           (b) the department; and

7           (c) providers of telephone service in the 9-1-1 jurisdiction's service area.

8           (2) The department shall review the preliminary plan for compliance with 10-4-103 and rules  
9 adopted pursuant to 10-4-102 and report its approval or disapproval to the 9-1-1 jurisdiction within 90 days  
10 of receipt of the plan.

11           (3) A provider of telephone service in the 9-1-1 jurisdiction's service area shall, within 90 days of  
12 receipt of the plan, provide the 9-1-1 jurisdiction with a good faith estimate of the cost to the 9-1-1  
13 jurisdiction for implementing the plan."

14

15           **Section 5.** Section 10-4-112, MCA, is amended to read:

16           **"10-4-112. Submission and approval of final plans -- exception.** (1) A 9-1-1 jurisdiction shall

17 submit a proposed final plan for establishing ~~an~~ a basic or enhanced 9-1-1 emergency ~~telephone~~ system  
18 pursuant to 10-4-103 within 1 year from receipt of the department's approval of its preliminary plan to:

19           (a) public and private safety agencies in the 9-1-1 jurisdiction;

20           (b) the department; and

21           (c) providers of telephone service in the 9-1-1 jurisdiction's service area.

22           (2) In addition to other matters required by 10-4-103, the final plan must include a description of  
23 all capital and recurring costs for the proposed ~~emergency~~ BASIC OR ENHANCED 9-1-1 telephone system.

24           (3) The department shall determine whether the final plan complies with 10-4-103 and rules  
25 adopted pursuant to 10-4-102. Subject to 10-4-113, if the department determines that the plan complies,  
26 it shall approve the plan, or if the department determines that the plan does not comply, it shall disapprove  
27 the plan. The department shall inform the 9-1-1 jurisdiction of its decision within 180 days of receipt of the  
28 plan. In any statement approving a final plan, the department shall indicate a timetable in which the provider  
29 shall undertake necessary telephone system conversions. The timetable must be such that conversions may  
30 not be required unless sufficient funds to compensate the provider for its conversion costs are available

1 within 1 year of the initial installation of the 9-1-1 system."  
 2

3 **Section 6.** Section 10-4-113, MCA, is amended to read:

4 **"10-4-113. Requirement for approval of final plan -- department to insure compliance.** The  
 5 department may not approve the preliminary or final plan ~~of~~ for basic or enhanced 9-1-1 service within a  
 6 9-1-1 jurisdiction unless the plan is accompanied by a written approval from the governing bodies of all  
 7 participating public and private safety agencies included in the 9-1-1 jurisdiction."  
 8

9 **NEW SECTION. Section 7. Submission of revised plan for conversion from basic 9-1-1 to**  
 10 **enhanced 9-1-1.** (1) A jurisdiction intending to implement an enhanced 9-1-1 system shall submit an  
 11 amended plan for establishing an enhanced 9-1-1 system to:

12 (a) every public and private safety agency in the 9-1-1 jurisdiction;

13 (b) the department; and

14 (c) all providers of telephone service in the 9-1-1 jurisdiction's service area.

15 (2) The amended plan must include:

16 (a) a description of all capital and recurring costs for the proposed enhanced 9-1-1 system;

17 (b) the proposed schedule for implementation of the enhanced 9-1-1 system;

18 (c) the proposed expenditures for equipment and software upgrades;

19 (d) a plan for maintaining all automatic number identification and all automatic location identification  
 20 data bases; and

21 (e) a plan for 9-1-1 dispatcher training that must include, at a minimum:

22 (i) basic telecommunicator certification awarded upon successful completion of the basic  
 23 telecommunicator class offered through the Montana law enforcement academy;

24 (ii) emergency medical dispatch certification awarded upon successful completion of one of the  
 25 emergency medical dispatch programs that provide dispatch-specific medical training and training and  
 26 practice in the use of written or automated medical dispatch protocols; or

27 (iii) training that includes handling 9-1-1 emergency telephone calls and relaying information to the  
 28 appropriate responder or dispatch agency.

29 (3) (a) The department shall determine whether the enhanced 9-1-1 plan complies with the  
 30 provisions of this part, including rules adopted pursuant to 10-4-102, and shall inform the 9-1-1 jurisdiction

1 of its determination within 180 days of receipt of the plan.

2 (b) If the department approves an enhanced 9-1-1 plan, the department shall indicate a timetable  
3 within which the provider shall undertake necessary conversions to dedicated 9-1-1 circuits. The timetable  
4 must be such that conversions may not be required unless sufficient funds to compensate the provider for  
5 its conversion costs are available within 1 year of the initial installation of the 9-1-1 system.

6 (4) If enhanced 9-1-1 SERVICE has been included as part of an approved final plan for basic 9-1-1  
7 SERVICE, the jurisdiction is not required to submit an amended plan for enhanced 9-1-1 SERVICE.

8  
9 **NEW SECTION. Section 8. Dedicated 9-1-1 telephone facilities to be provided -- capabilities.** Every  
10 provider of telephone service in an area served by an emergency telephone system established pursuant  
11 to 10-4-103 shall provide dedicated 9-1-1 telephone facilities capable of providing automatic number  
12 identification to the public safety answering point. The provision of facilities and services required under  
13 this section must be accomplished according to a plan, including a timetable, approved pursuant to  
14 10-4-111.

15  
16 **Section 9.** Section 10-4-201, MCA, is amended to read:

17 **"10-4-201. ~~Fee Fees~~ imposed for telephone exchange access services.** (1) Except as provided in  
18 10-4-202;

19 (a) for basic 9-1-1 services, a fee of 25 cents a month per access line on each service subscriber  
20 in the state is imposed on the amount charged for telephone exchange access ~~services, wireless telephone~~  
21 service, or other 9-1-1 accessible services; and

22 (b) for enhanced 9-1-1 services, a fee of ~~30~~ 25 cents a month per access line on each service  
23 subscriber in the state is imposed on the amount charged for telephone exchange access services, wireless  
24 telephone service, or other 9-1-1 accessible services.

25 (2) The subscriber paying for exchange access line services is liable for the ~~fee fees~~ imposed by  
26 this section.

27 (3) The provider shall collect the ~~fee fees~~. The amount of the ~~fee fees~~ collected by the provider is  
28 considered payment by the subscriber for that amount of ~~fee fees~~.

29 (4) Any return made by the provider collecting the ~~fee fees~~ is prima facie evidence of payments  
30 by the subscribers of the amount of fees indicated on the return."

1           **Section 10.** Section 10-4-202, MCA, is amended to read:

2           "**10-4-202. Exemptions from ~~fee~~ fees imposed.** The ~~fee~~ fees imposed by 10-4-201 ~~does~~ do not  
3 apply to:

4           (1) services that the state is prohibited from taxing under the constitution or laws of the United  
5 States or the constitution or laws of the state of Montana; or

6           (2) amounts paid by depositing coins in a public telephone."  
7

8           **Section 11.** Section 10-4-301, MCA, is amended to read:

9           "**10-4-301. Establishment of emergency telecommunications ~~account~~ accounts.** A ~~9-1-1~~  
10 ~~emergency telecommunications account is~~

11           (1) There are established in the state special revenue fund in the state treasury:

12           (a) an account for all fees collected for basic 9-1-1 services pursuant to 10-4-201(1)(a); and

13           (b) an account for all fees collected for enhanced 9-1-1 services pursuant to 10-4-201(1)(b).

14           (2) All money received by the department of revenue pursuant to 10-4-201 must be paid to the  
15 state treasurer for deposit in the appropriate account.

16           (3) After payment of refunds pursuant to 10-4-205, the balance of the ~~account~~ respective accounts  
17 must be used for the purposes described in part 1 of this chapter.

18           (4) The distribution of funds in the 9-1-1 emergency telecommunications ~~account~~ accounts  
19 described in subsection (1), according to the requirements of 10-4-302 and [section 14], is statutorily  
20 appropriated.

21           (5) Expenditures for actual and necessary expenses required for the efficient administration of the  
22 plan must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that  
23 purpose."  
24

25           **Section 12.** Section 10-4-302, MCA, is amended to read:

26           "**10-4-302. Distribution of basic 9-1-1 account by department.** (1) The department shall make  
27 quarterly distributions of the entire basic 9-1-1 account ~~beginning on April 1, 1987~~. The distributions must  
28 be made for the following:

29           (a) administrative costs incurred during the preceding calendar quarter by the department of  
30 revenue in carrying out this chapter. The amount paid may not exceed ~~1%~~ 0.5% of the account on the date

1 of distribution or actual expenses incurred, whichever is less.

2 (b) administrative costs incurred during the preceding calendar quarter by the department in  
3 carrying out its duties under this chapter. The department's annual recovery of costs may not exceed 7%  
4 3.5% of the amount collected by the account during the fiscal year or actual expenses incurred, whichever  
5 is less.

6 (c) costs incurred during the preceding calendar quarter by each provider of telephone service in  
7 the state for:

8 (i) collection of the ~~fee~~ fees imposed by 10-4-201;

9 (ii) modification of central office switching and trunking equipment for emergency telephone service  
10 only; and

11 (iii) conversion of pay station telephones required by 10-4-121.

12 (2) Payments under subsection (1)(c) may be made only after application by the provider to the  
13 department for costs incurred in subsection (1)(c). The department shall review all applications relevant to  
14 subsection (1)(c) for appropriateness of costs claimed by the provider. If the provider contests the review,  
15 payment may not be made until the amount owed the provider is made certain.

16 (3) After all amounts under subsections (1) and (2) have been paid, the balance of the account  
17 must be allocated to cities and counties on a per capita basis. However, each county must be allocated a  
18 minimum of 1% of the balance of the counties' share of the account. A 9-1-1 jurisdiction whose 9-1-1  
19 service area includes more than one city or county is eligible to receive operating funds from the allocation  
20 for each city or county involved. The department shall distribute to the accounting entity designated by a  
21 9-1-1 jurisdiction with an approved final plan the proportional amount for each city or county served by the  
22 9-1-1 jurisdiction. The department shall provide a report indicating the proportional share derived from the  
23 individual city's or county's allocation with each distribution to a 9-1-1 jurisdiction.

24 (4) If the department through its monitoring process determines that a 9-1-1 jurisdiction is not  
25 adhering to an approved plan or is not using funds in the manner prescribed in 10-4-303, the department  
26 may, after notice and hearing, suspend payment to the 9-1-1 jurisdiction. The jurisdiction is not eligible to  
27 receive funds until ~~such time as~~ the department determines that the jurisdiction is complying with the  
28 approved plan and fund usage limitations.

29 (5) THE DEPARTMENT SHALL DISTRIBUTE ANY BALANCE IN THE BASIC 9-1-1 ACCOUNT ON  
30 JULY 1, 1998, ON A PER CAPITA BASIS TO THOSE 9-1-1 JURISDICTIONS THAT HAVE APPROVED FINAL

1 PLANS FILED WITH THE DEPARTMENT AS REQUIRED BY 10-4-112."

2  
3 **Section 13.** Section 10-4-303, MCA, is amended to read:

4 "10-4-303. **Limitation on use of basic 9-1-1 funds.** Money received under subsection (3) of  
5 10-4-302 may be used only to pay for installing, operating, and improving ~~an~~ a basic 9-1-1 emergency  
6 telephone system ~~using 9-1-1~~. Money not necessary for immediate use may be invested by the city or  
7 county. The income from the investments ~~shall~~ may be used only for the purposes described in this  
8 section."

9  
10 **NEW SECTION. Section 14. Distribution of enhanced 9-1-1 account by department.** (1) The  
11 department shall make quarterly distributions of the entire enhanced 9-1-1 account as follows:

12 (a) administrative costs incurred during the preceding calendar quarter by the department of  
13 revenue in carrying out this chapter. The amount paid may not exceed 0.5% of the account on the date  
14 of distribution or actual expenses incurred, whichever is less.

15 (b) administrative costs incurred during the preceding calendar quarter by the department in  
16 carrying out its duties under this chapter. The department's annual recovery of costs may not exceed 3.5%  
17 of the amount deposited in the account during the fiscal year or actual expenses incurred, whichever is  
18 less.

19 (c) costs incurred during the preceding calendar quarter by each provider of telephone service in  
20 the state for:

21 (i) collection of the fee imposed by 10-4-201(1)(b); and

22 (ii) modification of central office switching and trunking equipment necessary to provide service  
23 for an enhanced 9-1-1 system only.

24 (2) Payments under subsection (1)(c) may be made only after application by the provider to the  
25 department for costs described in subsection (1)(c). The department shall review all applications relevant  
26 to subsection (1)(c) for appropriateness of costs claimed by the provider. If the provider contests the  
27 review, payment may not be made until the amount owed the provider is made certain.

28 (3) After all amounts under subsections (1) and (2) have been paid:

29 (a) FOR EACH FISCAL YEAR THROUGH THE FISCAL YEAR ENDING JUNE 30, 2007:

30 (i) 84% of the balance of the account must be allocated to cities and counties on a per capita

1 basis. However, each county must be allocated a minimum of 1% of the balance of the counties' share of  
2 the account.

3 ~~(b)(III)~~ the remaining 16% of the balance of the account must be distributed evenly to the counties  
4 with 1% or less than 1% of the total population OF THE STATE; AND

5 (B) FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2007, 100% OF THE BALANCE OF THE  
6 ACCOUNT MUST BE ALLOCATED TO CITIES AND COUNTIES ON A PER CAPITA BASIS. HOWEVER,  
7 EACH COUNTY MUST BE ALLOCATED A MINIMUM OF 1% OF THE BALANCE OF THE COUNTIES' SHARE  
8 OF THE ACCOUNT.

9 (4) An enhanced 9-1-1 jurisdiction whose enhanced 9-1-1 service area includes more than one city  
10 or county is eligible to receive operating funds from the allocation for each city or county involved. The  
11 department shall distribute to the accounting entity designated by an enhanced 9-1-1 jurisdiction with an  
12 approved final plan for enhanced 9-1-1 service the proportional amount for each city or county served by  
13 the enhanced 9-1-1 jurisdiction. The department shall, upon request, provide a report indicating the  
14 proportional share derived from the individual city's or county's allocation with each distribution to a 9-1-1  
15 jurisdiction.

16 (5) If the department determines that an enhanced ~~service~~ 9-1-1 jurisdiction is not adhering to an  
17 approved plan for enhanced 9-1-1 service or is not using funds in the manner prescribed in [section 15],  
18 the department may, after giving notice to the jurisdiction and providing an opportunity for a representative  
19 of the jurisdiction to comment on the department's determination, suspend payment from the enhanced  
20 9-1-1 account to the 9-1-1 jurisdiction. The jurisdiction is not eligible to receive funds from the enhanced  
21 9-1-1 account until the department determines that the jurisdiction is complying with the approved plan for  
22 enhanced 9-1-1 and fund usage limitations.

23  
24 NEW SECTION. Section 15. Limitation on use of enhanced 9-1-1 funds. (1) Money received under  
25 [section 14(3) or (4)] may be used only to pay for installing enhanced 9-1-1 features, or for operating and  
26 improving an emergency telephone system using 9-1-1 SERVICE once the plan for converting to enhanced  
27 9-1-1 has been approved.

28 (2) WITH DEPARTMENT APPROVAL, MONEY RECEIVED UNDER [SECTION 14(3) OR (4)] MAY BE  
29 USED TO PAY FOR BASIC 9-1-1 SERVICE. THE 9-1-1 JURISDICTION SHALL SUBMIT A REQUEST FOR  
30 AN EXCEPTION UNDER THIS SUBSECTION TO THE DEPARTMENT BASED ON A DEMONSTRATED



1 HARDSHIP, INCLUDING GEOGRAPHICAL CONSTRAINTS, FUNDING LIMITATIONS, OR ABSENCE OF  
2 TECHNICAL CAPABILITY OR CAPACITY.

3 (3) Money not necessary for immediate use may be invested by the city or county. The income  
4 from the investments may be used only for the purposes described in this section.

5

6 NEW SECTION. Section 16. Codification instruction. (1) [Sections 7 and 8] are intended to be  
7 codified as an integral part of Title 10, chapter 4, part 1, and the provisions of Title 10, chapter 4, apply  
8 to [sections 7 and 8].

9 (2) [Sections 14 and 15] are intended to be codified as an integral part of Title 10, chapter 4, part  
10 3, and the provisions of Title 10, chapter 4, apply to [sections 14 and 15].

11

12 NEW SECTION. Section 17. Applicability. (1) Except as provided in subsections (2) and (3), [this  
13 act] applies on July 1, 1997.

14 (2) [Sections 7, 18, and this section] apply on passage and approval.

15 (3) [Section 14] applies to calendar quarters beginning on or after October 1, 1997.

16

17 NEW SECTION. Section 18. Effective dates. (1) Except as provided in subsection (2), [this act]  
18 is effective July 1, 1997.

19 (2) [Section 7 and this section] are effective on passage and approval.

20

-END-

## 1 HOUSE BILL NO. 210

2 INTRODUCED BY HAYNE, KITZENBERG, ECK, MASOLO, NELSON, BARTLETT, HARPER, DEVANEY

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ENABLING 9-1-1 EMERGENCY TELEPHONE SYSTEMS TO  
5 PROVIDE ENHANCED 9-1-1 SERVICES; DISTINGUISHING BASIC 9-1-1 SYSTEMS FROM ENHANCED 9-1-1  
6 SYSTEMS; ESTABLISHING REQUIREMENTS FOR BASIC 9-1-1 AND ENHANCED 9-1-1 SYSTEMS;  
7 ESTABLISHING FEES FOR BASIC 9-1-1 AND ENHANCED 9-1-1 SYSTEMS; CLARIFYING THE SERVICES  
8 TO WHICH 9-1-1 FEES APPLY; PROVIDING FOR ACCOUNTING FOR BASIC 9-1-1 AND ENHANCED 9-1-1  
9 FEES; CLARIFYING THE STATUTORY APPROPRIATION OF ENHANCED 9-1-1 FEES; PROVIDING LIMITS  
10 ON AND REQUIREMENTS FOR THE DISTRIBUTION OF AND THE EXPENDITURE OF BASIC 9-1-1 AND  
11 ENHANCED 9-1-1 FEES; AMENDING SECTIONS 10-4-101, 10-4-102, 10-4-103, 10-4-111, 10-4-112,  
12 10-4-113, 10-4-201, 10-4-202, 10-4-301, 10-4-302, AND 10-4-303, MCA; AND PROVIDING EFFECTIVE  
13 DATES AND APPLICABILITY DATES."

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:16  
17 **Section 1.** Section 10-4-101, MCA, is amended to read:18 "10-4-101. **Definitions.** As used in this chapter, unless the context requires otherwise, the  
19 following definitions apply:20 (1) ~~Account~~ "Basic 9-1-1 account" means the 9-1-1 emergency telecommunications account  
21 established in ~~10-4-301~~ 10-4-301(1)(a).22 (2) ~~(a)~~ "Basic 9-1-1 service" means a telephone service meeting the standards established in  
23 10-4-102 that automatically connects a person dialing the digits 9-1-1 to an established public safety  
24 answering point.25 ~~(b)(3)~~ "Basic 9-1-1 services" SYSTEM" includes equipment for connecting and outswitching 9-1-1  
26 calls within a telephone central office, trunking facilities from the central office to a public safety answering  
27 point, and equipment, as appropriate, THAT IS USED for transferring the call to another point, when  
28 appropriate, AND THAT IS CAPABLE OF PROVIDING BASIC 9-1-1 SERVICE.29 ~~(2)(3)(4)~~ "Department" means the department of administration provided for in Title 2, chapter 15,  
30 part 10.

1 ~~(3)(4)(5)~~ "Direct dispatch method" means a 9-1-1 service in which a public safety answering point,  
 2 upon receipt of a telephone request for emergency services, provides for a decision as to the proper action  
 3 to be taken and for dispatch of appropriate emergency service units.

4 ~~(4)(5)(6)~~ "Emergency" means any event that requires dispatch of a public or private safety agency.

5 ~~(5)(6)(7)~~ "Emergency services" means services provided by any public or private safety agency,  
 6 including law enforcement, firefighting, ambulance or medical services, and civil defense services.

7 ~~(7)(8)~~ "Enhanced 9-1-1 account" means the 9-1-1 emergency telecommunications account  
 8 established in 10-4-301(1)(b).

9 ~~(8)(9)~~ "Enhanced 9-1-1 system" SERVICE" means a system:

10 ~~(a) consisting~~ TELEPHONE SERVICE THAT MEETS THE REQUIREMENTS FOR BASIC 9-1-1  
 11 SERVICE AND THAT CONSISTS of selective routing with the capability of automatic number identification  
 12 and automatic location identification at a public safety answering point enabling users of the public  
 13 telecommunications system to request emergency services by dialing the digits 9-1-1; and.

14 ~~(b) that~~ (10) "ENHANCED 9-1-1 SYSTEM" includes customer premises equipment THAT IS directly  
 15 related to the operation of an enhanced 9-1-1 system, including but not limited to automatic number  
 16 identification or automatic location identification controllers and display units, printers, and software  
 17 associated with call detail recording, AND THAT IS CAPABLE OF PROVIDING ENHANCED 9-1-1 SERVICE.

18 ~~(6)(9)(11)~~ "Exchange access services" means:

19 (a) telephone exchange access lines or channels that provide local access from the premises of a  
 20 subscriber in this state to the local telecommunications network to effect the transfer of information; and

21 (b) unless a separate tariff rate is charged ~~therefor~~ for the exchange access lines or channels, any  
 22 facility or service provided in connection with the services described in subsection ~~(6) (9)(a)~~ (11)(A).

23 ~~(7)(10)(12)~~ "Local government" means any city, county, or political subdivision of the state and  
 24 its agencies.

25 ~~(8)~~ "Minimum 9-1-1 service" means a telephone service meeting the standards established in  
 26 10-4-102 that automatically connects a person dialing the digits 9-1-1 to an established public safety  
 27 answering point. "Minimum 9-1-1 services" includes equipment for connecting and outswitching 9-1-1 calls  
 28 within a telephone central office, trunking facilities from the central office to a public safety answering  
 29 point, and equipment, as appropriate, for transferring the call to another point, when appropriate.

30 ~~(9)(11)(13)~~ A "9-1-1 jurisdiction" means a group of public or private safety agencies who operate

1 within or are affected by one or more common central office boundaries and who have agreed in writing  
2 to jointly plan a 9-1-1 emergency telephone system.

3 ~~(10)(12)(14)~~ "Private safety agency" means any entity, except a public safety agency, providing  
4 emergency fire, ambulance, or medical services.

5 ~~(11)(13)(15)~~ "Provider" means a public utility, cooperative telephone company, or any other entity  
6 that provides telephone exchange access services.

7 ~~(12)(14)(16)~~ "Public safety agency" means the state and any city, county, city-county consolidated  
8 government, municipal corporation, chartered organization, public district, or public authority located in  
9 whole or in part within this state that provides or has authority to provide emergency services.

10 ~~(13)(15)(17)~~ "Public safety answering point" means a communications facility operated on a  
11 24-hour basis that first receives 9-1-1 calls from persons in a 9-1-1 service area and ~~which that~~ may, as  
12 appropriate, directly dispatch public or private safety services or transfer or relay 9-1-1 calls to appropriate  
13 public safety agencies.

14 ~~(14)(16)(18)~~ "Relay method" means a 9-1-1 service in which a public safety answering point, upon  
15 receipt of a telephone request for emergency services, notes the pertinent information from the caller and  
16 relays ~~such the~~ information to the appropriate public safety agency, other agencies, or other providers of  
17 emergency services for dispatch of an emergency unit.

18 ~~(15)(17)(19)~~ "Subscriber" means an end user who receives telephone exchange access services.

19 ~~(16)(18)(20)~~ "Transfer method" means a 9-1-1 service in which a public safety answering point,  
20 upon receipt of a telephone request for emergency services, directly transfers ~~such a the~~ request to an  
21 appropriate public safety answering agency or other provider of emergency services."

22  
23 **Section 2.** Section 10-4-102, MCA, is amended to read:

24 **"10-4-102. Department of administration duties and powers.** (1) The department shall assist in  
25 the development of basic and enhanced 9-1-1 systems in the state. The department shall:

26 (a) establish procedures for determining and evaluating requests for variations from ~~minimum~~ basic  
27 or enhanced 9-1-1 service;

28 (b) upon request of a 9-1-1 jurisdiction, assist in planning ~~an emergency~~ a basic or enhanced 9-1-1  
29 ~~telephone~~ system;

30 (c) establish criteria for evaluating basic and enhanced 9-1-1 system plans;

1 (d) monitor implementation of approved basic and enhanced 9-1-1 system plans for compliance  
2 with the plan and use of funding; and

3 (e) as it finds necessary, report to the legislature the progress made in implementing a statewide  
4 ~~emergency telephone system~~ basic and enhanced 9-1-1 systems.

5 (2) The department shall obtain input from all 9-1-1 jurisdictions by creating an advisory council  
6 to participate in development and implementation of the 9-1-1 program in the state. The council must be  
7 established pursuant to 2-15-122. The highway patrol, emergency medical services organizations, telephone  
8 companies, the associated public safety communicators, the department of emergency services, police  
9 departments, sheriff's departments, local citizens, organizations, and other public safety organizations may  
10 submit recommendations for membership on the advisory council."

11

12 **Section 3.** Section 10-4-103, MCA, is amended to read:

13 **"10-4-103. Emergency telephone system requirements.** (1) Every public and private safety agency  
14 in this state may establish or participate in ~~an a basic or enhanced 9-1-1 emergency telephone~~ system.

15 (2) ~~An A basic 9-1-1 emergency telephone~~ system must include:

16 (a) a 24-hour communications facility automatically accessible anywhere in the 9-1-1 jurisdiction's  
17 service area by dialing 9-1-1;

18 (b) direct dispatch of public and private safety services in the 9-1-1 jurisdiction or relay or transfer  
19 of 9-1-1 calls to an appropriate public or private safety agency; and

20 (c) a 24-hour communications facility equipped with at least two trunk-hunting local access circuits  
21 provided by the local telephone company's central office.

22 (3) An enhanced 9-1-1 system must include, in addition to the requirements for a basic 9-1-1  
23 system:

24 (a) automatic number identification that automatically identifies and displays the calling telephone  
25 number at the public safety answering point; and

26 (b) automatic location identification that automatically identifies and displays the address of the  
27 calling telephone at the public safety answering point.

28 (4) The primary emergency telephone number within the state is 9-1-1, but a public safety  
29 answering point shall maintain both a separate seven-digit secondary emergency number for use by the  
30 telephone company operator and a separate seven-digit nonemergency number."

1           **Section 4.** Section 10-4-111, MCA, is amended to read:

2           "**10-4-111. Submission of preliminary plans for 9-1-1 jurisdictions -- review -- cost estimates.** (1)

3 A 9-1-1 jurisdiction may submit a preliminary plan for establishing ~~an a basic or enhanced 9-1-1 emergency~~  
4 ~~telephone~~ system in accordance with 10-4-103 to:

5           (a) public and private safety agencies in the 9-1-1 jurisdiction;

6           (b) the department; and

7           (c) providers of telephone service in the 9-1-1 jurisdiction's service area.

8           (2) The department shall review the preliminary plan for compliance with 10-4-103 and rules  
9 adopted pursuant to 10-4-102 and report its approval or disapproval to the 9-1-1 jurisdiction within 90 days  
10 of receipt of the plan.

11           (3) A provider of telephone service in the 9-1-1 jurisdiction's service area shall, within 90 days of  
12 receipt of the plan, provide the 9-1-1 jurisdiction with a good faith estimate of the cost to the 9-1-1  
13 jurisdiction for implementing the plan."

14

15           **Section 5.** Section 10-4-112, MCA, is amended to read:

16           "**10-4-112. Submission and approval of final plans -- exception.** (1) A 9-1-1 jurisdiction shall

17 submit a proposed final plan for establishing ~~an a basic or enhanced 9-1-1 emergency telephone~~  
18 pursuant to 10-4-103 within 1 year from receipt of the department's approval of its preliminary plan to:

19           (a) public and private safety agencies in the 9-1-1 jurisdiction;

20           (b) the department; and

21           (c) providers of telephone service in the 9-1-1 jurisdiction's service area.

22           (2) In addition to other matters required by 10-4-103, the final plan must include a description of  
23 all capital and recurring costs for the proposed ~~emergency~~ **BASIC OR ENHANCED 9-1-1 telephone** system.

24           (3) The department shall determine whether the final plan complies with 10-4-103 and rules  
25 adopted pursuant to 10-4-102. Subject to 10-4-113, if the department determines that the plan complies,  
26 it shall approve the plan, or if the department determines that the plan does not comply, it shall disapprove  
27 the plan. The department shall inform the 9-1-1 jurisdiction of its decision within 180 days of receipt of the  
28 plan. In any statement approving a final plan, the department shall indicate a timetable in which the provider  
29 shall undertake necessary telephone system conversions. The timetable must be such that conversions may  
30 not be required unless sufficient funds to compensate the provider for its conversion costs are available

1 within 1 year of the initial installation of the 9-1-1 system."

2

3 **Section 6.** Section 10-4-113, MCA, is amended to read:

4 **"10-4-113. Requirement for approval of final plan -- department to insure compliance.** The  
5 department may not approve the preliminary or final plan ~~of~~ for basic or enhanced 9-1-1 service within a  
6 9-1-1 jurisdiction unless the plan is accompanied by a written approval from the governing bodies of all  
7 participating public and private safety agencies included in the 9-1-1 jurisdiction."

8

9 **NEW SECTION. Section 7. Submission of revised plan for conversion from basic 9-1-1 to**  
10 **enhanced 9-1-1.** (1) A jurisdiction intending to implement an enhanced 9-1-1 system shall submit an  
11 amended plan for establishing an enhanced 9-1-1 system to:

12 (a) every public and private safety agency in the 9-1-1 jurisdiction;

13 (b) the department; and

14 (c) all providers of telephone service in the 9-1-1 jurisdiction's service area.

15 (2) The amended plan must include:

16 (a) a description of all capital and recurring costs for the proposed enhanced 9-1-1 system;

17 (b) the proposed schedule for implementation of the enhanced 9-1-1 system;

18 (c) the proposed expenditures for equipment and software upgrades;

19 (d) a plan for maintaining all automatic number identification and all automatic location identification  
20 data bases; and

21 (e) a plan for 9-1-1 dispatcher training that must include, at a minimum:

22 (i) basic telecommunicator certification awarded upon successful completion of the basic  
23 telecommunicator class offered through the Montana law enforcement academy;

24 (ii) emergency medical dispatch certification awarded upon successful completion of one of the  
25 emergency medical dispatch programs that provide dispatch-specific medical training and training and  
26 practice in the use of written or automated medical dispatch protocols; or

27 (iii) training that includes handling 9-1-1 emergency telephone calls and relaying information to the  
28 appropriate responder or dispatch agency.

29 (3) (a) The department shall determine whether the enhanced 9-1-1 plan complies with the  
30 provisions of this part, including rules adopted pursuant to 10-4-102, and shall inform the 9-1-1 jurisdiction

1 of its determination within 180 days of receipt of the plan.

2 (b) If the department approves an enhanced 9-1-1 plan, the department shall indicate a timetable  
3 within which the provider shall undertake necessary conversions to dedicated 9-1-1 circuits. The timetable  
4 must be such that conversions may not be required unless sufficient funds to compensate the provider for  
5 its conversion costs are available within 1 year of the initial installation of the 9-1-1 system.

6 (4) If enhanced 9-1-1 SERVICE has been included as part of an approved final plan for basic 9-1-1  
7 SERVICE, the jurisdiction is not required to submit an amended plan for enhanced 9-1-1 SERVICE.

8

9 **NEW SECTION. Section 8. Dedicated 9-1-1 telephone facilities to be provided -- capabilities.** Every  
10 provider of telephone service in an area served by an emergency telephone system established pursuant  
11 to 10-4-103 shall provide dedicated 9-1-1 telephone facilities capable of providing automatic number  
12 identification to the public safety answering point. The provision of facilities and services required under  
13 this section must be accomplished according to a plan, including a timetable, approved pursuant to  
14 10-4-111.

15

16 **Section 9.** Section 10-4-201, MCA, is amended to read:

17 "10-4-201. **Fee Fees imposed for telephone exchange access services.** (1) Except as provided in  
18 10-4-202;

19 (a) for basic 9-1-1 services, a fee of 25 cents a month per access line on each service subscriber  
20 in the state is imposed on the amount charged for telephone exchange access services, wireless telephone  
21 service, or other 9-1-1 accessible services; and

22 (b) for enhanced 9-1-1 services, a fee of 30 25 cents a month per access line on each service  
23 subscriber in the state is imposed on the amount charged for telephone exchange access services, wireless  
24 telephone service, or other 9-1-1 accessible services.

25 (2) The subscriber paying for exchange access line services is liable for the ~~fee~~ fees imposed by  
26 this section.

27 (3) The provider shall collect the ~~fee~~ fees. The amount of the ~~fee~~ fees collected by the provider is  
28 considered payment by the subscriber for that amount of ~~fee~~ fees.

29 (4) Any return made by the provider collecting the ~~fee~~ fees is prima facie evidence of payments  
30 by the subscribers of the amount of fees indicated on the return."



1           **Section 10.** Section 10-4-202, MCA, is amended to read:

2           "**10-4-202. Exemptions from ~~fee fees~~ imposed.** The ~~fee fees~~ imposed by 10-4-201 ~~doe~~ do not  
3 apply to:

4           (1) services that the state is prohibited from taxing under the constitution or laws of the United  
5 States or the constitution or laws of the state of Montana; or

6           (2) amounts paid by depositing coins in a public telephone."  
7

8           **Section 11.** Section 10-4-301, MCA, is amended to read:

9           "**10-4-301. Establishment of emergency telecommunications ~~account~~ accounts.** ~~A 9-1-1~~  
10 ~~emergency telecommunications account is~~

11           (1) There are established in the state special revenue fund in the state treasury:

12           (a) an account for all fees collected for basic 9-1-1 services pursuant to 10-4-201(1)(a); and

13           (b) an account for all fees collected for enhanced 9-1-1 services pursuant to 10-4-201(1)(b).

14           (2) All money received by the department of revenue pursuant to 10-4-201 must be paid to the  
15 state treasurer for deposit in the appropriate account.

16           (3) After payment of refunds pursuant to 10-4-205, the balance of the ~~account~~ respective accounts  
17 must be used for the purposes described in part 1 of this chapter.

18           (4) The distribution of funds in the 9-1-1 emergency telecommunications ~~account~~ accounts  
19 described in subsection (1), according to the requirements of 10-4-302 and [section 14], is statutorily  
20 appropriated.

21           (5) Expenditures for actual and necessary expenses required for the efficient administration of the  
22 plan must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that  
23 purpose."

24

25           **Section 12.** Section 10-4-302, MCA, is amended to read:

26           "**10-4-302. Distribution of basic 9-1-1 account by department.** (1) The department shall make  
27 quarterly distributions of the entire basic 9-1-1 account ~~beginning on April 1, 1987~~. The distributions must  
28 be made for the following:

29           (a) administrative costs incurred during the preceding calendar quarter by the department of  
30 revenue in carrying out this chapter. The amount paid may not exceed ~~1%~~ 0.5% of the account on the date

1 of distribution or actual expenses incurred, whichever is less.

2 (b) administrative costs incurred during the preceding calendar quarter by the department in  
3 carrying out its duties under this chapter. The department's annual recovery of costs may not exceed ~~7%~~  
4 3.5% of the amount collected by the account during the fiscal year or actual expenses incurred, whichever  
5 is less.

6 (c) costs incurred during the preceding calendar quarter by each provider of telephone service in  
7 the state for:

8 (i) collection of the ~~fee~~ fees imposed by 10-4-201;

9 (ii) modification of central office switching and trunking equipment for emergency telephone service  
10 only; and

11 (iii) conversion of pay station telephones required by 10-4-121.

12 (2) Payments under subsection (1)(c) may be made only after application by the provider to the  
13 department for costs incurred in subsection (1)(c). The department shall review all applications relevant to  
14 subsection (1)(c) for appropriateness of costs claimed by the provider. If the provider contests the review,  
15 payment may not be made until the amount owed the provider is made certain.

16 (3) After all amounts under subsections (1) and (2) have been paid, the balance of the account  
17 must be allocated to cities and counties on a per capita basis. However, each county must be allocated a  
18 minimum of 1% of the balance of the counties' share of the account. A 9-1-1 jurisdiction whose 9-1-1  
19 service area includes more than one city or county is eligible to receive operating funds from the allocation  
20 for each city or county involved. The department shall distribute to the accounting entity designated by a  
21 9-1-1 jurisdiction with an approved final plan the proportional amount for each city or county served by the  
22 9-1-1 jurisdiction. The department shall provide a report indicating the proportional share derived from the  
23 individual city's or county's allocation with each distribution to a 9-1-1 jurisdiction.

24 (4) If the department through its monitoring process determines that a 9-1-1 jurisdiction is not  
25 adhering to an approved plan or is not using funds in the manner prescribed in 10-4-303, the department  
26 may, after notice and hearing, suspend payment to the 9-1-1 jurisdiction. The jurisdiction is not eligible to  
27 receive funds until ~~such time as~~ the department determines that the jurisdiction is complying with the  
28 approved plan and fund usage limitations.

29 (5) THE DEPARTMENT SHALL DISTRIBUTE ANY BALANCE IN THE BASIC 9-1-1 ACCOUNT ON  
30 JULY 1, 1998, ON A PER CAPITA BASIS TO THOSE 9-1-1 JURISDICTIONS THAT HAVE APPROVED FINAL

1 PLANS FILED WITH THE DEPARTMENT AS REQUIRED BY 10-4-112."

2

3 **Section 13.** Section 10-4-303, MCA, is amended to read:

4 "10-4-303. **Limitation on use of basic 9-1-1 funds.** Money received under subsection (3) of  
5 10-4-302 may be used only to pay for installing, operating, and improving ~~an~~ a basic 9-1-1 emergency  
6 telephone system ~~using 9-1-1~~. Money not necessary for immediate use may be invested by the city or  
7 county. The income from the investments ~~shall~~ may be used only for the purposes described in this  
8 section."

9

10 **NEW SECTION. Section 14. Distribution of enhanced 9-1-1 account by department.** (1) The  
11 department shall make quarterly distributions of the entire enhanced 9-1-1 account as follows:

12 (a) administrative costs incurred during the preceding calendar quarter by the department of  
13 revenue in carrying out this chapter. The amount paid may not exceed 0.5% of the account on the date  
14 of distribution or actual expenses incurred, whichever is less.

15 (b) administrative costs incurred during the preceding calendar quarter by the department in  
16 carrying out its duties under this chapter. The department's annual recovery of costs may not exceed 3.5%  
17 of the amount deposited in the account during the fiscal year or actual expenses incurred, whichever is  
18 less.

19 (c) costs incurred during the preceding calendar quarter by each provider of telephone service in  
20 the state for:

21 (i) collection of the fee imposed by 10-4-201(1)(b); and

22 (ii) modification of central office switching and trunking equipment necessary to provide service  
23 for an enhanced 9-1-1 system only.

24 (2) Payments under subsection (1)(c) may be made only after application by the provider to the  
25 department for costs described in subsection (1)(c). The department shall review all applications relevant  
26 to subsection (1)(c) for appropriateness of costs claimed by the provider. If the provider contests the  
27 review, payment may not be made until the amount owed the provider is made certain.

28 (3) After all amounts under subsections (1) and (2) have been paid:

29 (a) FOR EACH FISCAL YEAR THROUGH THE FISCAL YEAR ENDING JUNE 30, 2007:

30 (i) 84% of the balance of the account must be allocated to cities and counties on a per capita

1 basis. However, each county must be allocated a minimum of 1% of the balance of the counties' share of  
2 the account.

3 ~~(b)(II)~~ the remaining 16% of the balance of the account must be distributed evenly to the counties  
4 with 1% or less than 1% of the total population OF THE STATE; AND

5 (B) FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2007, 100% OF THE BALANCE OF THE  
6 ACCOUNT MUST BE ALLOCATED TO CITIES AND COUNTIES ON A PER CAPITA BASIS. HOWEVER,  
7 EACH COUNTY MUST BE ALLOCATED A MINIMUM OF 1% OF THE BALANCE OF THE COUNTIES' SHARE  
8 OF THE ACCOUNT.

9 (4) An enhanced 9-1-1 jurisdiction whose enhanced 9-1-1 service area includes more than one city  
10 or county is eligible to receive operating funds from the allocation for each city or county involved. The  
11 department shall distribute to the accounting entity designated by an enhanced 9-1-1 jurisdiction with an  
12 approved final plan for enhanced 9-1-1 service the proportional amount for each city or county served by  
13 the enhanced 9-1-1 jurisdiction. The department shall, upon request, provide a report indicating the  
14 proportional share derived from the individual city's or county's allocation with each distribution to a 9-1-1  
15 jurisdiction.

16 (5) If the department determines that an enhanced ~~service~~ 9-1-1 jurisdiction is not adhering to an  
17 approved plan for enhanced 9-1-1 service or is not using funds in the manner prescribed in [section 15],  
18 the department may, after giving notice to the jurisdiction and providing an opportunity for a representative  
19 of the jurisdiction to comment on the department's determination, suspend payment from the enhanced  
20 9-1-1 account to the 9-1-1 jurisdiction. The jurisdiction is not eligible to receive funds from the enhanced  
21 9-1-1 account until the department determines that the jurisdiction is complying with the approved plan for  
22 enhanced 9-1-1 and fund usage limitations.

23

24 **NEW SECTION. Section 15. Limitation on use of enhanced 9-1-1 funds. (1)** Money received under  
25 [section 14(3) or (4)] may be used only to pay for installing enhanced 9-1-1 features, or for operating and  
26 improving an emergency telephone system using 9-1-1 SERVICE once the plan for converting to enhanced  
27 9-1-1 has been approved.

28 **(2) WITH DEPARTMENT APPROVAL, MONEY RECEIVED UNDER [SECTION 14(3) OR (4)] MAY BE**  
29 **USED TO PAY FOR BASIC 9-1-1 SERVICE. THE 9-1-1 JURISDICTION SHALL SUBMIT A REQUEST FOR**  
30 **AN EXCEPTION UNDER THIS SUBSECTION TO THE DEPARTMENT BASED ON A DEMONSTRATED**

1 HARDSHIP, INCLUDING GEOGRAPHICAL CONSTRAINTS, FUNDING LIMITATIONS, OR ABSENCE OF  
2 TECHNICAL CAPABILITY OR CAPACITY.

3 (3) Money not necessary for immediate use may be invested by the city or county. The income  
4 from the investments may be used only for the purposes described in this section.

5  
6 NEW SECTION. Section 16. Codification instruction. (1) [Sections 7 and 8] are intended to be  
7 codified as an integral part of Title 10, chapter 4, part 1, and the provisions of Title 10, chapter 4, apply  
8 to [sections 7 and 8].

9 (2) [Sections 14 and 15] are intended to be codified as an integral part of Title 10, chapter 4, part  
10 3, and the provisions of Title 10, chapter 4, apply to [sections 14 and 15].

11

12 NEW SECTION. Section 17. Applicability. (1) Except as provided in subsections (2) and (3), [this  
13 act] applies on July 1, 1997.

14 (2) [Sections 7, 18, and this section] apply on passage and approval.

15 (3) [Section 14] applies to calendar quarters beginning on or after October 1, 1997.

16

17 NEW SECTION. Section 18. Effective dates. (1) Except as provided in subsection (2), [this act]  
18 is effective July 1, 1997.

19 (2) [Section 7 and this section] are effective on passage and approval.

20

-END-