

LEGISLATIVE HISTORY CHECKLIST

NJSA: 52:17C-1 to 52:17C-16

(911 Emergency number-- statewide--
plan and implement)

LAWS OF: 1989

CHAPTER: 3

BILL NO: A1576

SPONSOR(S): Bennett and Mazur

Date Introduced: Pre-filed

Committee: **Assembly:** Appropriations; Transportation and Communications**Senate:** Revenue, Finance and Appropriations

Amended during passage: Yes

Amendments during passage denoted
by asterisks.Date of Passage: **Assembly:** June 23, 1988**Senate:** December 8, 1988

Date of Approval: January 18, 1989

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes 5-23-88 and 1-21-88**Senate** Yes

Fiscal Note: Yes

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: Yes

Hearings: Yes

See newspaper clipping file in New Jersey Reference under "New Jersey Telephone and telegraph-1988 and 1989".

974.90 New Jersey. Emergency Response System

S128 First phase report . . . Dec. 30, 1986

1986a Trenton, 1986.

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974.90 New Jersey. Emergency Response System Study Commission.
S128 Public hearing, held 9-10-86
1986 Blackwood, New Jersey, 1986.

974.90 New Jersey. Emergency Response System Study Commission.
S128 Second phase report . . . March 1, 1988.
1988 Trenton, 1988.

[THIRD REPRINT]

ASSEMBLY, No. 1576

STATE OF NEW JERSEY

— PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Assemblymen BENNETT and MAZUR

1 AN ACT providing for a Statewide emergency, enhanced 9-1-1
2 telephone system, establishing a commission and office to
3 implement the system, ³[removing the exemption of certain
4 telephones from the sales and use tax for the purpose of
5 financing a portion of the system and]³ amending P.L. ³[1980,
6 c. 105] 1976, c.68³, supplementing Title 48 ³[and Title 54]³ of
7 the Revised Statutes, and making an appropriation.

9 BE IT ENACTED *by the Senate and General Assembly of the*
10 *State of New Jersey:*

11 1. (New section) As used in this act:

12 a. "Automatic number identification (ANI)" means an
13 enhanced 9-1-1 service capability that enables the automatic
14 display of the seven digit number used to place a 9-1-1 call;

15 b. "Automatic location identification (ALI)" means an
16 enhanced 9-1-1 service capability that enables the automatic
17 display of information defining the geographical location of the
18 telephone used to place a 9-1-1 call;

19 c. "Commission" means the 9-1-1 Commission created by
20 section 2 of this act;

21 d. "County 9-1-1 Coordinator" means the County 9-1-1
22 Coordinator ³[created by] appointed pursuant to³ section ³[3] ⁵³
23 of this act;

24 e. "Enhanced 9-1-1 network" means the switching equipment,
25 trunk system, database operation and connections to the public
26 safety answering point;

27 f. "Enhanced 9-1-1 network features" means those features of
28 selective routing which have the capability of automatic number
29 and location identification;

g. "Enhanced 9-1-1 service" means a service consisting of

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ATC committee amendments adopted January 21, 1988.

² Assembly AAP committee amendments adopted May 23, 1988.

³ Senate SRF committee amendments adopted October 20, 1988.

1 telephone network features and public safety answering points
 2 provided for users of the public telephone system enabling the
 3 users to reach a public service answering point by dialing the
 4 digits "9-1-1." The service directs 9-1-1 calls to appropriate
 5 public safety answering points by selective routing based on the
 6 location from which the call originated and provides for
 7 automatic number identification and automatic location
 8 identification features;

9 h. "Enhanced 9-1-1 termination equipment" means the
 10 equipment located at the public safety answering point which is
 11 needed to receive or record voice and data communications from
 12 the enhanced 9-1-1 network;

13 i. "Office" means the Office of Emergency
 14 Telecommunications Services established by section 3 of this act;

15 j. "Public safety agency" means a functional division of a
 16 municipality, a county, or the State which dispatches or provides
 17 law enforcement, fire fighting, emergency medical services, or
 18 other emergency services;

19 k. "Private safety agency" means any entity, except a
 20 municipality or a public safety agency, providing emergency
 21 medical services, fire fighting, or other emergency services;

22 l. "Public safety answering point (PSAP)" means a facility,
 23 operated on a 24-hour basis, assigned the responsibility of
 24 receiving 9-1-1 calls and, as appropriate, directly dispatching
 25 emergency response services or transferring or relaying
 26 emergency 9-1-1 calls to other public safety agencies. A public
 27 safety answering point is the first point of reception by a public
 28 safety agency of 9-1-1 calls and serves the jurisdictions in which
 29 it is located or other participating jurisdictions;

30 m. "Selective routing" means the method employed to direct
 31 9-1-1 calls to the appropriate public safety answering point based
 32 on the location from which the call originated;

33 n. "Emergency enhanced 9-1-1 system" or "system" means
 34 the emergency enhanced 9-1-1 telephone system to be
 35 established pursuant to this act ³[.] and³

36 o. "Telephone company" means the organization that provides
 37 switched local telephone exchange access service.

38 2. (New section) a. There is created in the Department of
 39 Law and Public Safety a ³commission to be known as the³ 9-1-1

1 Commission ³[to] which shall³ oversee the office in the planning,
 design, ³and³ implementation ³[and coordination]³ of the
 3 Statewide emergency enhanced 9-1-1 telephone system to be
 established pursuant to this act. The commission shall consist of
 5 ³[24] 26³ members as follows: two members of the Senate
 appointed by the President of the Senate, who shall not be both of
 7 the same political party; two members of the General Assembly,
 appointed by the Speaker of the General Assembly, who shall not
 9 be both of the same political party; the following members ex
 officio: Attorney General of the State of New Jersey; President
 11 of the Board of Public Utilities; Superintendent of State Police;
 Deputy Director of the State Office of Emergency Management
 13 in the Department of Law and Public Safety; Director of the
 Bureau of Fire Safety in the Department of Community Affairs;
 15 Director of Emergency Medical Services in the Division of
 Community Health Services of the Department of Health; the
 17 Administrator of the Office of Telecommunications and
 Information Systems in the Department of the Treasury; the
 19 following public members appointed by the Governor with the
 advice and consent of the Senate: a representative of the New
 21 Jersey State League of Municipalities; a representative of the
 New Jersey State Association of Chiefs of Police; a
 23 representative of the Fire Fighter's Association of New Jersey; a
 representative of the New Jersey First Aid Council; a
 25 representative of the Associated Public Safety Communications
 Officers (APCO); a representative of the New Jersey Bell Co.; a
 27 representative of the independent telephone companies; two
 members representing county-wide dispatch centers ³; ³ 2 ³one ³[of
 29 whom shall be a]³ representative of the Sheriffs Association of
New Jersey²; ³one representative of the New Jersey Fire Chiefs
 31 Association³ two members representing multi-municipal public
 safety dispatch centers who serve more than one, but less than
 33 five municipalities; and two members representing municipal
 public safety dispatch centers.

35 The members of the Senate and General Assembly appointed to
 the commission shall serve for terms which shall be for the term
 37 for which they were elected. Of the public members first
 appointed by the Governor with the advice and consent of the
 39 Senate, five shall be appointed for terms of three years, ³[four]

1 five³ shall be appointed for terms of two years, and ³[four] five³
2 shall be appointed for terms of one year. Thereafter, the public
3 members of the commission shall be appointed for terms of three
4 years. Vacancies on the commission shall be filled in the same
5 manner as the original appointment but for the unexpired term.
6 Members may be removed by the appointing authority for cause.
7 The initial members shall be appointed within ³[60] 30³ days of
8 the ³[effective] operative³ date of this act. The commission
9 shall have the authority to establish subcommittees as it deems
10 appropriate to carry out the purposes of this act.

11 b. Members of the commission shall serve without
12 compensation but the public and legislative members shall be
13 entitled to reimbursement for expenses incurred in performance
14 of their duties, within the limits of any funds appropriated or
15 otherwise made available for that purpose.

16 c. Each ex officio member may designate an employee of the
17 member's department or agency to represent the member at
18 meetings or hearings of the commission. All designees may
19 lawfully vote and otherwise act on behalf of the members for
20 whom they constitute the designees.

21 ³d. The commission shall expire on the first day of the first
22 month following the Statewide implementation of the operation
23 of the enhanced 9-1-1 service as shall be determined by the
24 Attorney General.³

25 3. (New section) a. There is established in the Department of
26 Law and Public Safety an Office of Emergency
27 Telecommunications Services.

28 b. The office shall be under the immediate supervision of a
29 director, who shall be a person qualified by training and
30 experience to direct the work of the office. The director shall
31 administer the provisions of this act subject to review by the
32 commission and shall perform other duties as may be provided by
33 law. The director shall be appointed by the Attorney General,
34 but the commission shall advise the Attorney General on the
35 qualifications of the director. The Attorney General is
36 authorized to appoint, in accordance with Title 11A of the New
37 Jersey Statutes, clerical, technical, and professional assistants,
38 and also may designate any available personnel as shall be
39 necessary to effectuate the purposes of this act.

1 The office shall, subject to review by the commission ³, or the
2 Attorney General, only as provided in subsection c. of this
3 section,³ and in consultation with the telephone companies and
4 the Board of Public Utilities ^{3,3 1}and with the assistance of the
5 Office of Telecommunications and Information Systems in the
6 Department of the Treasury¹, plan, design, implement, and
7 coordinate the Statewide emergency enhanced 9-1-1 telephone
8 system to be established pursuant to this act.

9 To this end the office shall establish, after review and approval
10 by the commission, a State plan for the ³emergency³ enhanced
11 9-1-1 system in this State, which plan shall include:

12 (1) The configuration of, and requirements for, the enhanced
13 9-1-1 network. The office with the approval of the commission
14 ³, or the Attorney General, only as provided herein,^{3 1}and
15 assistance and advice of the Office of Telecommunications and
16 Information Systems in the Department of the Treasury¹ is
17 empowered to enter into contracts with the telephone companies
18 for the provision of this network.

19 (2) The role and responsibilities of the counties and
20 municipalities of the State in the implementation of the system,
21 consistent with the provisions of this act, including a timetable
22 for implementation.

23 (3) Technical and operational standards for the establishment
24 of public safety answering points (PSAPs) which utilize enhanced
25 9-1-1 network features in accordance with the provisions of this
26 act. Those entities having responsibility for the creation and
27 management of PSAPs shall conform to these standards in the
28 design, implementation and operation of the PSAPs. These
29 standards shall include provision for the training and certification
30 of call-takers and public safety dispatchers or for the adoption of
31 such a program.

32 ³[(4) Projections of the annual cost of the installation,
33 operation and maintenance of the enhanced 9-1-1 network so
34 that sufficient funds may be appropriated for this purpose.]³

35 The State plan shall be established within 270 days of the
36 ³[effective] operative³ date of this act except that the technical
37 and operational standards specified in paragraph (3) of this
38 subsection shall be established within 180 days of the ³[effective]
39 operative³ date of this act.

1 The office, after review and approval by the commission ³, or
2 the Attorney General, only as provided herein³, may update and
3 revise the State plan from time to time.

4 The office may inspect each PSAP to determine if it meets the
5 requirements of this act and the technical and operational
6 standards established pursuant to this section. The office shall
7 explore ways to maximize the reliability of the system.

8 The plan or any portion of it may be implemented by the
9 adoption of regulations pursuant to ³subsection b. of³ section 15
of this act.

11 The office shall plan, implement and coordinate a Statewide
12 public education program designed to generate public awareness
13 at all levels of ³the emergency enhanced³ 9-1-1 ³[emergency
14 telephone service] system³. Advertising and display of 9-1-1
15 shall be in accordance with standards established by the office.
16 Advertising expenses may be ³[deemed costs of the 9-1-1
17 network and]³ defrayed from the ³[9-1-1 Emergency Telephone
System Account] moneys appropriated to the office³.

19 The office, after review and approval by the commission ³, or
20 the Attorney General, only as provided herein³, shall submit a
21 report to the ³[Legislature] Senate Revenue, Finance and
22 Appropriations Committee and the Assembly Appropriations
23 Committee, or their successors,³ not later than February 15th of
24 each year, concerning its progress in carrying out this act ³and
25 the expenditure of moneys appropriated thereto and appropriated
26 for the purposes of installation of the Statewide enhanced 9-1-1
27 network.

28 c. Upon the expiration of the commission, the Attorney
29 General shall be responsible for the review and approval of any
30 function of the office which was the responsibility of the
31 commission.³

32 4. (New section) Each telephone company providing service
33 within the State shall provide within three years of the
34 ³[effective] operative³ date of this act enhanced 9-1-1 service to
35 include selective routing, automatic number identification and
36 automatic location identification features as a tariffed service
37 package in compliance with a timetable issued by the office with
38 the approval of the commission. The office with the approval of
39 the commission may extend the three year limit if necessary.

1 5. (New section) In order to ensure that the enhanced 9-1-1
system is implemented expeditiously and effectively throughout
3 the State and that each locality participates in the system:

4 a. The governing body of each county shall appoint a county
5 9-1-1 coordinator who shall coordinate the 9-1-1 activities
within the county in accordance with this act and standards
7 developed by the office pursuant to this act. The county shall
ensure that all necessary steps are taken and time schedules met
9 in connection with the county's responsibilities under the State
plan.

11 b. The county coordinator shall meet with representatives of
the county, the municipalities, local public safety agencies, and
13 the State Police ³[with a view] in order³ to ³[proposing] propose³
a draft plan for adoption by the county governing body. The plan
15 shall provide for the implementation of enhanced 9-1-1 service
throughout the county. The plan shall specify the number of and
17 locations of the PSAPs, the membership of each PSAP and the
organizational characteristics of each PSAP. Any PSAP
19 ³[presently]³ existing ³on the operative date of this act³ may
continue to operate within the guidelines of this act.

21 c. Within one year of the ³[effective] operative³ date of this
act, the governing body of each county shall submit an enhanced
23 9-1-1 service utilization plan to the office for its review and
approval. The office shall review each plan to determine if it
25 meets the requirements of this act and the technical and
operational standards established in the State plan.

27 6. (New section) The governing body of each municipality
shall:

29 a. Provide or cause to be provided the data required for the
establishment of the automatic location identification capability
31 of the system.

33 b. Within one year of the ³[effective] operative³ date of this
act, notify in writing the ³county³ 9-1-1 ³[county]³ coordinator
appointed under this act of the nature of its proposed
35 participation in the system, whether singly or in conjunction with
other municipalities or on a regional or county basis. This
37 subsection shall not apply to those municipalities located in
counties which have a county-wide PSAP in existence on the
39 ³[effective] operative³ date of this act.

1 c. Within three years of the ³[effective] operative³ date of
this act, establish, singly or in conjunction with other
3 municipalities or participate on a regional or on a county basis in,
a PSAP which utilizes enhanced 9-1-1 network features. The
5 office may extend this time period in the case of those
municipalities where it is deemed necessary.

7 7. (New section) No provision of this act shall be construed to
prohibit or require in any manner the formation of multi-agency,
9 multi-jurisdictional, regional or county-wide public safety
answering points. However, the formation of public safety
11 answering points that serve groups of municipalities is
encouraged in the interest of reducing cost and increasing the
13 efficiency of administration.

15 8. (New section) a. Each public safety answering point shall
be capable of dispatching or forwarding requests for law
enforcement, fire fighting, emergency medical services, or other
17 emergency services to a public or private safety agency that
provides the requested services.

19 b. Each public safety answering point shall be equipped with a
system approved by the office for the processing of requests for
21 emergency services for the physically disabled. No person shall
connect to a telephone company's network any automatic alarm
23 or other automatic alerting device which causes the number
"9-1-1" to be automatically dialed and which provides a
25 prerecorded message in order to directly access emergency
services, except for devices which may be approved by the
27 office. Devices approved by the office shall be registered with
the office on forms provided by the office.

29 c. Each entity operating a public safety answering point shall
be responsible for obtaining, operating, and maintaining enhanced
31 9-1-1 termination equipment. The operations and maintenance
of this equipment shall be in accordance with standards set forth
33 by the office pursuant to section 3 of this act. ³[Amounts to be
raised or appropriated for the purchase, lease, or rent and
35 associated maintenance cost of this equipment shall, for the
purposes of P.L.1976, c.68 (C.40A:4-45.1 et seq.), be considered
37 an expenditure mandated by State law.]³

39 9. (New section) a. A public safety agency which receives a
request for emergency service outside of its jurisdiction shall

1 promptly forward the request to the public safety answering point
or public safety agency responsible for that geographical area.
3 Any emergency unit dispatched to a location outside its
jurisdiction in response to such a request shall render service to
5 the requesting party until relieved by the public safety agency
responsible for that geographical area.

7 b. Municipalities may enter into written cooperative
agreements to carry out the provisions of subsection a. of this
9 section.

10. (New section) a. Whenever possible and practicable,
11 telephone companies shall forward to jurisdictional public safety
answering points via enhanced 9-1-1 ³[package] network³
13 features, the telephone number and street address of any
telephone used to place a 9-1-1 call. Subscriber information
15 provided in accordance with this section shall be used only for the
purpose of responding to emergency calls or for the investigation
17 of false or intentionally misleading reports of incidents requiring
emergency service.

19 b. No telephone company, public safety answering point,
agents of, or manufacturer supplying equipment to a telephone
21 company or PSAP, shall be liable to any person who uses the
enhanced 9-1-1 service established under this act for release of
23 the information specified in this section, including non-published
telephone numbers, or for failure of any equipment or procedure
25 in connection with the enhanced 9-1-1 service or for any act or
the omission of an act committed while in the training for or in
27 rendering PSAP services in good faith and in accordance with this
act.

29 ³[11. (New section) The Board of Public Utilities shall include
capital expenditures by a telephone company for the enhanced
31 9-1-1 network in the company's rate base for purposes of
rate-making and recurring costs and initial nonrecurring costs as
33 operating costs of the company for those purposes. The
telephone companies shall have the flexibility to adjust the
35 charges associated with enhanced 9-1-1 on an annual basis to
reflect current operating conditions.]³

37 ³[12.] 11.³ (New section) As enhanced 9-1-1 service becomes
available, all coin and credit card telephones whether public or
39 private within areas served by enhanced 9-1-1 service shall be

1 converted to dial tone first capability, which shall allow a caller
to dial 9-1-1 without first inserting a coin or any other device.
3 On each converted telephone, instructions on how to access the
³emergency³ enhanced 9-1-1 system shall be prominently
5 displayed.

³[13.] 12.³ (New section) a. ³[All expenses incurred in the
7 installation, operation and maintenance of the Statewide
enhanced 9-1-1 network shall be defrayed from the 9-1-1
9 Emergency Telephone System Account established pursuant to
section 14 of this act.

11 b.]³ All expenses incurred in the installation, operation and
maintenance of a PSAP shall be defrayed by the municipality or
13 county operating or controlling the PSAP. If the PSAP is
operated or controlled by more than one municipality or by a
15 regional entity, then the expenses shall be defrayed by the
municipalities or regional entity as the case may be, in
17 accordance with an agreement made pursuant to the provisions of
the "Interlocal Services Act," P.L.1973, c.208 (C.40:8A-1 et seq.).

19 ³[c.] b.³ Expenses of the office and the commission shall be
³[deemed costs of the enhanced 9-1-1 network and defrayed from
21 the 9-1-1 Emergency Telephone System Account] paid from
appropriations made thereto³.

23 ³[14.] 13.³ (New section) ³[a.]³ There is established in the
General Fund an account entitled the "9-1-1 Emergency
25 Telephone System Account." ²[The State Treasurer shall
annually, on or before June 30, estimate the amount of sales and
27 use tax revenue to be collected in the ensuing fiscal year under
the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.),
29 derived from the receipts on the sales and use of
telecommunications equipment.]² ³[There shall be credited to
31 the account each month ²[either 1/12th of the amount so
estimated or]² 1/12th of \$9,000,000.00 ²[, whichever is less] of
33 sales and use tax revenues derived from the sales and use of
telecommunications equipment², except as may be required in
35 subsection b. of this section.

Any other moneys made available, which the Treasurer
37 determines to be necessary to meet the purposes set forth in
subsection c. of this section, shall be credited to the account.
39 For the purposes of this section, telecommunications equipment

1 means ²telephones,² telephone lines, cables, central office
equipment or station apparatus, or other machinery, equipment or
3 apparatus, or comparable telegraph equipment, not for use
directly and primarily by a provider ²[regulated by the Board of
5 Public Utilities or the Federal Communications Commission,]² of
telecommunications services or telegraph communications
7 services to the general public in ²receiving at destination or
initiating,² transmitting and switching telephone or telegraph
9 communications.

b. If the rates approved by the Board of Public Utilities
11 against a local exchange telephone company, as a result of
enhanced 9-1-1 service, result in charges
13 against that company in an amount in excess of \$9,000,000.00,
then the amount to be credited monthly to the 9-1-1 Emergency
15 Telephone System Account shall be equal to 1/12th of the amount
of sales and use tax revenues derived from the sales and use of
17 telecommunications equipment equal to the amount of this
charge against that company.

19 c.] There shall be credited to the account such moneys as may
be appropriated thereto and any interest earned from the
21 investment thereon.³ Funds in the 9-1-1 Emergency Telephone
System Account shall be expended for costs incurred in the
23 ³initial³ installation³[, operation and maintenance]³ of the
Statewide enhanced 9-1-1 network according to the provisions of
25 this act ³and for the costs incurred by a county for the
employment of a county 9-1-1 coordinator in an amount not to
27 exceed \$25,000 per county 9-1-1 coordinator³.

³[d. Charges for the network shall accrue coincident with the
29 availability of the network to a particular municipality.]³

³14. (New section) The Legislature shall annually appropriate
31 such sums as are necessary to pay for the operation and
maintenance of the enhanced 9-1-1 service. A telephone
33 company incurring operation and maintenance costs of the system
shall submit the costs thereof, after review and approval by the
35 Board of Public Utilities, to the State Treasurer. The operation
and maintenance charges for the enhanced 9-1-1 service shall
37 accrue coincident with the availability of the enhanced 9-1-1
service and shall be submitted to the State upon that
39 availability. The State Treasurer, upon warrant of the State

1 Comptroller, shall pay such costs from moneys appropriated
2 pursuant to this section.³

3 15. (New section) a. The Attorney General may, at the
4 request of the commission, or on his own initiative, institute civil
5 proceedings against any appropriate party to enforce the
6 provisions of this act.

7 b. The Attorney General ^{3shall}³, after consulting with the
8 director of the office, and subject to the review ^{3[and approval]}³
9 of the commission ^{3during its term}³, ^{3[shall]}³ promulgate such
10 rules and regulations in accordance with the "Administrative
11 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) as he deems
12 necessary to effectuate the purposes of this act.

13 16. (New section) Any person who violates the provisions of
14 this act shall be subject to a penalty of \$200.00 for the first
15 offense and \$500.00 for each subsequent offense. If the violation
16 of this act is of a continuing nature, each day during which it
17 continues shall constitute a separate offense for the purpose of
18 this section. The penalty shall be collected and enforced by
19 summary proceedings under "the penalty enforcement law,"
20 N.J.S.2A:58-1 et seq.

21 ³[17. (New section) The Director of the Division of Taxation
22 in the Department of the Treasury shall promulgate rules and
23 regulations to provide a reasonable method of determining the
24 annual estimate of sales and use tax revenues derived from the
25 receipts on the sales and use of telecommunications equipment.]³

26 ³[18. (New section) After the costs of the Enhanced 9-1-1
27 network have been met as provided in section 13 of this act, the
28 Legislature shall appropriate annually an amount for payment to
29 the municipalities of this State in replacement of certain tax
30 revenues previously paid to those municipalities according to the
31 formula set forth in P.L. , c. (C.) (now pending before
32 the Legislature as Assembly Bill No. 135 of 1988)."]³

33 ³[19. Section 25 of P.L.1980, c.105 (C.54:32B-8.13) is amended
34 to read as follows:

35 25. Receipts from the following are exempt from the tax
36 imposed under the Sales and Use Tax Act:

37 a. Sales of machinery, apparatus or equipment for use or
38 consumption directly and primarily in the production of tangible
39 personal property by manufacturing, processing, assembling or

1 refining;

2 b. Sales of machinery, apparatus or equipment for use or
3 consumption directly and primarily in the production, generation,
4 transmission or distribution of gas, electricity, refrigeration,
5 steam or water for sale or in the operation of sewerage systems;

6 c. Sales ²to a provider of telecommunications services to the
7 general public for a fee² of ²telephones,² telephone lines, cables,
8 central office equipment or station apparatus, or other
9 machinery, equipment or apparatus, or comparable telegraph
10 equipment, for use directly and primarily ²[by a provider,
11 regulated by the Board of Public Utilities or the Federal
12 Communications Commission, of telecommunications services or
13 telegraph communications services to the general public]² in
14 [receiving at destination or initiating,] ²receiving at destination
15 or initiating,² transmitting and switching telephone or telegraph
16 [communication] ²[communications] communication²;

17 d. Sales of machinery, apparatus, equipment, building
18 materials, or structures or portions thereof, used directly and
19 primarily for cogeneration in a cogeneration facility. As used in
20 this subsection, "cogeneration facility" means a facility the
21 primary purpose of which is the sequential production of
22 electricity and steam or other forms of useful energy which are
23 used for industrial or commercial heating or cooling purposes and
24 which is designated by the Federal Energy Regulatory
25 Commission, or its successor, as a "qualifying facility" pursuant
26 to the provisions of the "Public Utility Regulatory Policies Act of
27 1978," Pub. L. 95-617. The ²[Commissioner of the Department
28 of Energy] Director of the Division of Energy Planning and
29 Conservation in the Department of Commerce, Energy and
30 Economic Development², in consultation with the Director of the
31 Division of Taxation, shall adopt, pursuant to the "Administrative
32 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and
33 regulations establishing technical specifications for eligibility for
34 the exemption provided in this subsection.

35 The exemptions granted under this section shall not be
36 construed to apply to sales, otherwise taxable, of machinery,
37 equipment or apparatus whose use is incidental to the activities
38 described in subsections a., b., c., and d. of this section.

39 The exemptions granted in this section shall not apply to motor

1 vehicles or to parts with a useful life of one year or less or tools
or supplies used in connection with the machinery, equipment or
3 apparatus described in this section.

(cf: P.L.1985, c.266, s.1)]³

5 ³17. Section 3 of P.L.1976, c.68 (C.40A:4-45.3) is amended to
read as follows:

7 3. In the preparation of its budget a municipality shall limit
any increase in said budget to 5% or the index rate, whichever is
9 less, over the previous year's final appropriations subject to the
following exceptions:

11 a. The amount of revenue generated by the increase in
valuations, based solely on applying the preceding year's general
13 tax rate of the municipality to the assessed value of new
construction or improvements, or by payments in lieu of taxes
15 made by a tax-exempt public entity to the extent that the
payment received for any single property exceeds the amount of
17 property taxes received on that property in the year immediately
preceding the acquisition of that property by the public entity,
19 or, in the case of State property subject to the provisions of
P.L.1977, c.272 (C.54:4-2.2a et seq.), to the extent that the total
21 State payment exceeds the amount received in the 1982 budget
year;

23 b. Capital expenditures, including appropriations for current
capital expenditures, whether in the capital improvement fund or
25 as a component of a line item elsewhere in the budget, provided
that any such current capital expenditure would be otherwise
27 bondable under the requirements of N.J.S.40A:2-21 and 40A:2-22;

c. (1) An increase based upon emergency temporary
29 appropriations made pursuant to N.J.S.40A:4-20 to meet an
urgent situation or event which immediately endangers the
31 health, safety or property of the residents of the municipality,
and over which the governing body had no control and for which it
33 could not plan and emergency appropriations made pursuant to
N.J.S.40A:4-46. Emergency temporary appropriations and
35 emergency appropriations shall be approved by at least
two-thirds of the governing body and by the Director of the
37 Division of Local Government Services, and shall not exceed in
the aggregate 3% of the previous year's final current operating
39 appropriations.

- 1 (2) An increase based upon special emergency appropriations
2 made pursuant to N.J.S.40A:4-53, N.J.S.40A:4-54, section 1 of
3 P.L.1961, c.22 (C.40A:4-55.1) or section 1 of P.L.1968, c.194
4 (C.40A:4-55.13). Special emergency appropriations shall be
5 approved by at least two-thirds of the governing body and the
6 Director of the Division of Local Government Services. Neither
7 approval procedure in paragraph (1) or (2) of this subsection shall
8 apply to appropriations adopted for a purpose referred to in
9 subsection d. or j. below;
- 10 d. All debt service, including that of a Type I school district;
 - 11 e. Upon the approval of the Local Finance Board in the
12 Division of Local Government Services, amounts required for
13 funding a preceding year's deficit;
 - 14 f. Amounts reserved for uncollected taxes;
 - 15 g. Expenditures mandated after the effective date of this act
16 pursuant to State or federal law;
 - 17 h. Expenditure of amounts derived from new or increased
18 construction, housing, health or fire safety inspection or other
19 service fees imposed by State law, rule or regulation or by local
20 ordinance, or derived from the sale of municipal assets;
 - 21 i. Any amount approved by any referendum or any amount
22 expended to conduct a special election required by law to be held
23 at a time other than the time of a general election or regular
24 municipal election, as appropriate;
 - 25 j. Amounts required to be paid pursuant to (1) any contract
26 with respect to use, service or provision of any project, facility
27 or public improvement for water, sewer, parking, senior citizen
28 housing or any similar purpose, or payments on account of debt
29 service therefor, between a municipality and any other
30 municipality, county, school or other district, agency, authority,
31 commission, instrumentality, public corporation, body corporate
32 and politic or political subdivision of this State; (2) the provisions
33 of article 9 of P.L.1968, c.404 (C.13:17-60 through 13:17-76) by a
34 constituent municipality to the intermunicipal account; and (3)
35 any lease of a facility owned by a county improvement authority
36 when the lease payment represents the proportionate amount
37 necessary to amortize the debt incurred by the authority in
38 providing the facility which is leased, in whole or in part;
 - 39 k. (Deleted by amendment, P.L.1987, c.74.)

- 1 l. Programs funded wholly or in part by federal or State funds
and amounts received or to be received from federal, State or
3 other funds in reimbursement for local expenditures. If a
municipality provides matching funds in order to receive the
5 federal or State funds, only the amount of the match which is
required by law to be provided by the municipality shall be
7 excepted;
- m. (Deleted by amendment, P.L.1987, c.74.)
- 9 n. (Deleted by amendment, P.L.1987, c.74.)
- o. Any decrease in amounts received pursuant to any federal
11 general purposes aid program from the amounts received in local
budget year 1982, after deducting from the decrease any amount
13 of new or increased federal or State general purposes aid
explicitly provided for the purpose of replacing the decrease in
15 federal aid;
- p. (Deleted by amendment, P.L.1987, c.74.)
- 17 q. Expenditures of amounts to fund the purchase of vehicles
used solely for police purposes by the municipal police
19 department and all equipment installed in or on the vehicles;
- r. Amounts expended to fund a free public library established
21 pursuant to the provisions of R.S.40:54-1 through 40:54-29,
inclusive;
- 23 s. Any additional expenditures for the testing of water supplies
pursuant to P.L.1983, c.443 (C.58:12A-12 et al.) or any
25 expenditures necessary to comply with an order or permit issued
by the Department of Environmental Protection for the
27 construction, improvement, repair or rehabilitation of public
water supply systems pursuant to P.L.1981, c.262 (C.58:1A-1 et
29 seq.);
- t. Amounts expended in preparing and implementing a housing
31 element and fair share plan pursuant to the provisions of
P.L.1985, c.222 (C.52:27D-301 et al.) and any amounts received
33 by a municipality under a regional contribution agreement
pursuant to section 12 of that act;
- 35 u. Amounts expended to meet the standards established
pursuant to the "New Jersey Public Employees' Occupational
37 Safety and Health Act," P.L.1983, c.516 (C.34:6A-25 et seq.);
- v. Amounts appropriated for the cost of providing insurance
39 coverage for the municipality, its departments, boards, agencies,

1 commissions, officers and employees, which exceed the amount
appropriated therefor, in the 1985 local budget;

3 w. Amounts appropriated for expenditures resulting from the
impact of a hazardous waste facility as described in subsection c.
5 of section 32 of P.L.1981, c.279 (C.13:1E-80); [or]

7 x. Amounts expended to aid privately owned libraries and
reading rooms, pursuant to R.S.54:54-34 [.] ; or

9 y. Amounts appropriated for the cost of purchasing, leasing
and maintaining enhanced 9-1-1 termination equipment pursuant
to the provisions of P.L. c. (C.)(now pending
11 before the Legislature as this bill).³

(cf: P.L.1988, c.66, s.1)

13 ³18. Section 4 of P.L.1976, c.68 (C.40A:4-45.4) is amended to
read as follows:

15 4. In the preparation of its budget, a county may not increase
the county tax levy to be apportioned among its constituent
17 municipalities in excess of 5% or the index rate, whichever is
less, of the previous year's county tax levy, subject to the
19 following exceptions:

21 a. The amount of revenue generated by the increase in
valuations within the county, based solely on applying the
preceding year's county tax rate to the apportionment valuation
23 of new construction or improvements within the county, and such
increase shall be levied in direct proportion to said valuation;

25 b. Capital expenditures, including appropriations for current
capital expenditures, whether in the capital improvement fund or
27 as a component of a line item elsewhere in the budget, provided
that any such current capital expenditures would be otherwise
29 bondable under the requirements of N.J.S.40A:2-21 and 40A:2-22;

31 c. (1) An increase based upon emergency temporary
appropriations made pursuant to N.J.S.40A:4-20 to meet an
urgent situation or event which immediately endangers the
33 health, safety or property of the residents of the municipality,
and over which the governing body had no control and for which it
35 could not plan and emergency appropriations made pursuant to
N.J.S.40A:4-46. Emergency temporary appropriations and
37 emergency appropriations shall be approved by at least
two-thirds of the governing body and by the Director of the
39 Division of Local Government Services, and shall not exceed in

1 the aggregate 3% of the previous year's final current operating
appropriations.

3 (2) An increase based upon special emergency appropriations
made pursuant to N.J.S.40A:4-53, N.J.S.40A:4-54, section 1 of
5 P.L.1961, c.22 (C.40A:4-55.1) or section 1 of P.L.1968, c.194
(C.40A:4-55.13). Special emergency appropriations shall be
7 approved by at least two-thirds of the governing body, and, where
appropriate, approved by the chief executive officer of the
9 county and the Director of the Division of Local Government
Services. Neither approval procedure in paragraph (1) or (2) of
11 this subsection shall apply to appropriations adopted for a purpose
referred to in subsection d. or j. below;

13 d. All debt service;

e. Expenditures mandated after the effective date of this act
15 pursuant to State or federal law;

f. Amounts required to be paid pursuant to (1) any contract
17 with respect to use, service or provision of any project, facility
or public improvement for water, sewer, parking, senior citizen
19 housing or any similar purpose, or payments on account of debt
service therefor, between a county and any other county,
21 municipality, school or other district, agency, authority,
commission, instrumentality, public corporation, body corporate
23 and politic or political subdivision of this State; and (2) any lease
of a facility owned by a county improvement authority when the
25 lease payment represents the proportionate amount necessary to
amortize the debt incurred by the authority in providing the
27 facility which is leased, in whole or in part;

g. That portion of the county tax levy which represents
29 funding to participate in any federal or State aid program and
amounts received or to be received from federal, State or other
31 funds in reimbursement for local expenditures. If a county
provides matching funds in order to receive the federal or State
33 funds, only the amount of the match which is required by law to
be provided by the county shall be excepted;

35 h. (Deleted by amendment, P.L.1987, c.74.)

i. Any decrease in amounts received pursuant to any federal
37 general purposes aid program from the amounts received in local
budget year 1982, after deducting from the decrease any amount
39 of new or increased federal or State general purposes aid

1 explicitly provided for the purpose of replacing the decrease in
federal aid;

3 j. Amounts expended for the conduct of any special election
required by law to be held at a time other than the time of the
5 general election;

k. Any additional expenditures for the testing of water
7 supplies pursuant to P.L.1983, c.443 (C.58:12A-12 et al.);

l. Amounts expended to meet the standards established
9 pursuant to the "New Jersey Public Employees' Occupational
Safety and Health Act," P.L.1983, c.516 (C.34:6A-25 et seq.); [or]

11 m. Amounts appropriated for the cost of providing insurance
coverage for the county, its departments, boards, agencies,
13 commissions, officers and employees, which exceed the amount
appropriated therefor in the 1985 local budget [.] ; or

15 n. Amounts appropriated for the cost of purchasing, leasing
and maintaining enhanced 9-1-1 termination equipment pursuant
17 to the provisions of P.L. c. (C.)(now pending
before the Legislature as this bill).³

19 (cf: P.L.1987, c.74, s.3)

³19. (New section) Any telecommunications carrier other than
21 a telephone company, that is no longer subject to taxation on
personal property pursuant to R.S.54:4-1 et seq., or to taxation
23 upon its gross receipts pursuant to P.L.1940, c.4 (C.54:30A-16 et
seq.) as a result of the amendments to sections 3 and 4 of
25 P.L.1940, c.4 (C.54:30A-17 and 54:30A-18) and to R.S.54:4-1
made in sections 2, 3 and 4 of P.L. , c. (now pending
27 before the Legislature as Senate Bill No. 2162 or Assembly Bill
No. 135 of 1988) shall, within 90 days of the operative date of
29 this act, petition the Board of Public Utilities for a reduction in
its rates. The board shall institute a hearing on the petition, and
31 at the conclusion of the hearing shall determine the amount of
the reduction in the rate base of the telecommunications carrier
33 which reflects the elimination of the tax liability of such carrier
under those amendments. The rate reduction shall not take
35 effect prior to January 1 next following enactment of this act.³

20. There is appropriated from the General Fund \$250,000 to
37 the 9-1-1 commission and the office to effectuate the purposes
of this act.

39 ³There is appropriated from the General Fund \$9,000,000 to

1 the 9-1-1 Emergency Telephone System Account to effectuate
2 the purpose thereof.³

3 21. This act shall take effect ³[on the ²[90th day] first day of
4 the third month² following enactment] immediately but shall
5 remain inoperative until the date of enactment of P.L. , c.
6 (C.) (now pending before the Legislature as Senate Bill No.
7 2162 of 1988 or Assembly Bill No. 135 of 1988)³.

9

PUBLIC SAFETY

11

Communications and Broadcasting

13 Provides for planning and implementation of the 9-1-1
14 emergency telephone number throughout the State, appropriates
15 \$9,250,000.

1 [communication] communications;

3 d. Sales of machinery, apparatus, equipment, building
5 materials, or structures or portions thereof, used directly and
7 primarily for cogeneration in a cogeneration facility. As used in
9 this subsection, "cogeneration facility" means a facility the
11 primary purpose of which is the sequential production of
13 electricity and steam or other forms of useful energy which are
15 used for industrial or commercial heating or cooling purposes
17 and which is designated by the Federal Energy Regulatory
Commission, or its successor, as a "qualifying facility" pursuant
to the provisions of the "Public Utility Regulatory Policies Act
of 1978," Pub. L. 95-617. The Commissioner of the
Department of Energy, in consultation with the Director of the
Division of Taxation, shall adopt, pursuant to the
"Administrative Procedure Act," P.L. 1968, c.410 (C. 52:14B-1
et seq.), rules and regulations establishing technical
specifications for eligibility for the exemption provided in this
subsection.

19 The exemptions granted under this section shall not be
21 construed to apply to sales, otherwise taxable, of machinery,
equipment or apparatus whose use is incidental to the activities
described in subsections a., b., c., and d. of this section.

23 The exemptions granted in this section shall not apply to
25 motor vehicles or to parts with a useful life of one year or less
or tools or supplies used in connection with the machinery,
equipment or apparatus described in this section.

27 20. There is appropriated from the General Fund \$250,000.00
29 to the 9-1-1 commission and the office to effectuate the
purposes of this act.

31 21. This act shall take effect on the 90th day following
enactment.

33

SPONSORS' STATEMENT

35

37 This bill proposes the creation of a Statewide 9-1-1
"enhanced" emergency telephone system. The system would
39 utilize several "Public Safety Answering Points" (PSAPs), with
specialized computers, telephone switching equipment and data
41 bases, to receive the 9-1-1 emergency calls and determine the
source and location of the call. The call then would be routed to
the appropriate public emergency safety response agency the
43 nearest location of the emergency call.

1 The bill would establish a commission and an office in the
2 Department of Law and Public Safety to oversee the
3 development of the coordinated operation. Costs of the
4 Statewide network would be paid by State. Municipalities and
5 counties would fund the PSAFs. The estimated \$9 million annual
6 cost to the State would be covered by revising the present sales
7 tax exemption on the purchase of the telephone equipment.
8 Station equipment purchased by business and individual
9 consumers would become subject to the sales tax. Funds now
10 expended by local entities for emergency telephone systems
11 presumably would be used to fund the cost of the local portion
12 of the revised system.

13

15

PUBLIC SAFETY

Communications and Broadcasting

17

18 Provides for planning and implementation of the 9-1-1
19 emergency telephone number throughout the State, appropriates
20 \$250,000.

ASSEMBLY TRANSPORTATION AND
COMMUNICATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1576

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: January 21, 1988

The Assembly Transportation and Communications Committee favorably reports Assembly Bill No. 1576 with amendments.

This bill proposes the creation of a Statewide 9-1-1 "enhanced" emergency telephone system. The system would utilize several "Public Safety Answering Points" (PSAPs), with specialized computers, telephone switching equipment and data bases, to receive the 9-1-1 emergency calls and determine the source and location of the call. The call then would be routed to the appropriate public emergency safety response agency nearest the location of the emergency call.

The bill would establish a commission and an Office of Emergency Telecommunications Services in the Department of Law and Public Safety to oversee the development of the coordinated operation. Costs of the Statewide network would be paid by the State. Municipalities and counties would fund the PSAPs. The estimated \$9 million annual cost to the State would be covered by revising the present sales tax exemption on the purchase of the telephone equipment. Station equipment purchased by business and individual consumers would become subject to the sales tax. Funds now expended by local entities for emergency telephone systems presumably would be used to fund the cost of the local portion of the revised system.

In addition, the legislation provides that the Office of Emergency Telecommunications Services shall be subject to review by the commission and in consultation with the telephone companies and the Board of Public Utilities, shall plan, design, implement and coordinate the 9-1-1 system. The committee amended the bill to stipulate that the Office of Telecommunications and Information Systems in the Department of the Treasury also provide assistance and advice in the planning and design of the 9-1-1 network and to assist and advise the

Office of Emergency Telecommunications Services regarding the entering into contracts with the telephone companies for the provision of this network.

This bill was pre-filed for introduction in the 1988 session pending technical review. As reported the bill includes the changes required by technical review which has been performed.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 1576

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 23, 1988

The Assembly Appropriations Committee favorably reports Assembly Bill No. 1576 (1R) with committee amendments.

Assembly Bill No. 1576 (1R), as amended, proposes the creation of a statewide 9-1-1 "enhanced" emergency telephone system. The system would utilize several "Public Safety Answering Points" (PSAPs), with specialized computers, telephone switching equipment and data bases, to receive 9-1-1 emergency calls and determine the source and location of each call. The call then would be routed to the appropriate public emergency safety response agency nearest the location of the emergency call.

The bill would establish a commission to oversee the development of the 9-1-1 system working with the counties and municipalities to implement a coordinated operation. Costs of the statewide network would be paid by the State. Municipalities and counties would fund the PSAP. The estimated \$9 million annual cost to the State would be covered by repealing the present sales tax exemption on the purchase of telephone equipment. Station equipment purchased by business and individual consumers would become subject to the sales tax. Funds now expended by local entities for emergency telephone systems would be used to fund the cost of the local portion of the revised system. In addition the bill provides that after costs of the enhanced 9-1-1 network have been met, moneys would be distributed to municipalities based on a formula set forth in Assembly Bill No. 135, which provides for a per capita distribution to municipalities as well as a distribution for any loss in revenues as a result of the changes of local property taxes paid on tangible personal property and changes in the public utility tax base.

FISCAL IMPACT

A fiscal note has not been completed for this bill at this time. A fiscal note for Assembly Bill No. 135 provides that removing the sales tax exemption for telephone equipment would result in a revenue gain of \$32 million. This bill appropriates \$250,000 from the General Fund to the Department of Law and Public Safety to effectuate the purposes of this act.

COMMITTEE AMENDMENTS

The committee amendments provide for a representative of the Sheriffs Association to be on the commission, and provide that a minimum of \$9 million be annually credited to the 9-1-1 emergency telephone system account. In addition, there are technical amendments clarifying the sales tax exemption for telephone equipment.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

[SECOND REPRINT]

ASSEMBLY, No. 1576

with Senate committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 20, 1988

The Senate Revenue, Finance and Appropriations Committee reported Assembly Bill 1576 (2R), with committee amendments, favorably.

Assembly Bill 1576 (2R), as amended, provides for the creation of a Statewide 9-1-1 "enhanced" emergency telephone system and appropriates \$9,250,000 to effectuate the purposes of the bill. The bill also provides for the annual appropriation of such sums as are necessary to pay for the operation and maintenance costs of the enhanced 9-1-1 service.

The bill establishes a 9-1-1 Commission and an Office of Emergency Telecommunications Services in the Department of Law and Public Safety to oversee the development of the 9-1-1 system. Costs of the Statewide network are to be paid by the State. Municipalities and counties are to pay for the costs of maintaining the "Public Safety Answering Points" which will receive the emergency calls.

In addition, the bill provides that the Office of Emergency Telecommunications Services shall, subject to review by the commission and in consultation with the telephone companies and the Board of Public Utilities, plan, design, implement and coordinate the 9-1-1 system.

The bill provides that the 9-1-1 commission shall expire and that the provisions of the bill will remain inoperative until enactment of Senate Bill 2162 or Assembly Bill 135.

This bill, as amended, is identical to S-1511, as amended.

COMMITTEE AMENDMENTS

The committee amendments delete the provisions subjecting telephone equipment to the sales tax and providing for a \$9,000,000 dedication of the sales tax revenue to the 9-1-1 Emergency Telephone System Account. Instead, the bill appropriates \$9,000,000 to fund the installation of the system and provides thereafter for the

annual appropriation of such sums as are necessary to pay for the operation and maintenance costs.

The committee amendments also provide that the 9-1-1 Commission shall expire shortly after the implementation of the 9-1-1 service, increases the membership of the commission by 2 to 26 members and provides that the expenses of the commission and the office shall be paid by appropriations made thereto instead of from the 9-1-1 account.

In addition, the committee amendments require a telecommunications carrier other than a telephone company to petition the Board of Public Utilities to reduce its rate base by an amount which reflects the elimination of the tax liability pursuant to the provisions of Senate Bill 2162 or Assembly Bill 135. The rate reduction shall not take effect prior to January 1 following enactment.

Other amendments are clarifying and technical in nature.

FISCAL IMPACT

This bill appropriates \$9,250,000 of which \$250,000 is for the 9-1-1 Commission and the Office of Emergency Telecommunications Services and \$9,000,000 is to pay for the costs of installing the 9-1-1 service. Thereafter, the bill provides that the Legislature shall appropriate such sums as are necessary to pay for the operation and maintenance costs of the 9-1-1 service. A telephone company incurring such costs shall submit the costs, after review and approval by the Board of Public Utilities, to the State for payment.

FISCAL NOTE TO
[FIRST REPRINT]
ASSEMBLY, No. 1576
STATE OF NEW JERSEY

DATED: August 23, 1988

Assembly Bill No. 1576 of 1988 (1R) establishes a statewide emergency 9-1-1 telephone system. The bill provides that the cost of the statewide 9-1-1 network be paid by the State. To defray the cost of this network, the bill removes the State sales tax exemption on telephone equipment. After the cost of the network has been paid, the bill directs that an appropriation be made to certain municipalities, according to a formula set forth in Assembly Bill No. 135 of 1988.

The bill further requires that municipalities pay costs of installation, operation and maintenance of the local public service answering points (PSAPs). The bill establishes an Office of Emergency Telecommunications Services in the Department of Law and Public Safety to oversee the planning, development and operation the statewide 9-1-1 system. The bill also appropriates \$250,000 to carry out its purposes.

The Division of Taxation in the Department of Treasury estimates that the removal of the State sales tax exemption for telephone equipment will yield additional annual revenues to the State of \$32 million. The Office of Legislative Services concurs with this estimate.

The division estimates that implementation of this bill will result in State expenditures of \$9,250,000 in the first year. No cost estimates are provided for succeeding years. The Office of Legislative Services does not agree with the division's estimate of State costs. This estimate does not recognize the phasing process required for the establishment of a statewide 9-1-1 network. Moreover, the division has provided no estimate for local expenditures associated with the PSAPs.

The attached table presents the OLS estimate of the fiscal impact of this bill. This estimate accepts the Division of Taxation revenue projection and draws upon cost information provided by New Jersey Bell Telephone Corp.

ESTIMATED FISCAL IMPACT OF A-1576

	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
STATE REVENUE			
Sales tax	\$16,000,000	\$32,000,000	\$32,000,000
STATE EXPENDITURES			
911 network ⁽¹⁾	--	3,000,000	6,000,000
Administration ⁽²⁾	250,000	275,000	302,500
NET STATE SURPLUS	15,750,000	28,725,000	25,697,500
LOCAL EXPENDITURES			
PSAPS	--	2,000,000	4,000,000

-
- (1) Estimated annual statewide network cost of \$9 million phased in at rate of one-third per year, starting in second year after enactment.
- (2) State administrative cost of \$250,000 a year with 10 percent annual inflation rate.
- (3) Estimated \$6 million annual leasing cost for 235 PSAPs statewide, phased in at rate of one-third per year, starting in second year after enactment.

This fiscal note has been prepared pursuant to P.L.1980, c.67.



OFFICE OF THE GOVERNOR

NEWS RELEASE

Governor Thomas H. Kean
TRENTON, N.J. 08625
Release:

CN-001

Contact: JOHN SAMERJAN
609-292-8956 OR 609-292-6000 EXT. 207

THURS., 1/19/89

Governor Thomas H. Kean yesterday signed a two-bill package establishing a statewide emergency 911 telephone system which will greatly enhance the state's emergency response capabilities.

"I applaud the sponsors of this important legislation," Governor Kean stated, "A 911 system will simply save lives. New Jerseyans in distress will now have a statewide response system in place in case of emergency."

The system will utilize a network of "Public Safety Answering Points" with specialized computers to receive 911 calls and locate their source. The call will then be routed to the appropriate emergency response agency nearest to the location of the call.

The system will be paid for, a cost of \$9.25 million, by imposing a six percent sales tax on telephones.

A-135, sponsored by Assemblyman John Penn R-Somerset and Senator John Lynch, D-Middlesex imposes the sales tax on telephones to pay for the system.

A-1576, sponsored by Assemblyman John Bennett, R-Monmouth, Assemblyman D. Bennett Mazur, D-Bergen and Senator Daniel Dalton, D-Camden, appropriates \$9.25 million from the phone tax to establish the 911 system.

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