

# 52:17C-17

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2004                    **CHAPTER:** 48  
**NJSA:** 52:17C-17            (Fee for funding 911 system)  
**BILL NO:** A3112                (Substituted for S1716)  
**SPONSOR(S):** Carabello

**DATE INTRODUCED:** June 21, 2004

**COMMITTEE:**            **ASSEMBLY:** Budget  
**SENATE**                ----

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**            **ASSEMBLY:** June 24,2004  
**SENATE:** June 24, 2004

**DATE OF APPROVAL:** June 29, 2004

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

[FINAL TEXT OF BILL](#) (1st reprint enacted)

### A3112

[SPONSOR'S STATEMENT:](#) (Begins on page 4 of original bill) [Yes](#)

**COMMITTEE STATEMENT:**                    [ASSEMBLY:](#) [Yes](#)

**SENATE:** No

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

### S1716

[SPONSOR'S STATEMENT:](#) (Begins on page 4 of original bill) [Yes](#)

Bill and Sponsors Statement identical to A3112

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** No

[SENATE:](#) [Yes](#)

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

P.L. 2004, CHAPTER 48, *approved June 29, 2004*  
Assembly, No. 3112 (*First Reprint*)

1 **AN ACT** imposing a fee on mobile telecommunications customers and  
2 <sup>1</sup>[telecommunications] telephone<sup>1</sup> exchange customers for funding  
3 certain costs of <sup>1</sup>[emergency preparedness and]<sup>1</sup> the 9-1-1 system  
4 <sup>1</sup>and emergency response<sup>1</sup>, supplementing chapter 17C of Title 52  
5 of the Revised Statutes.

6

7 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
8 *of New Jersey:*

9

10 1. As use in this act:

11 "Home service provider" means the facilities-based carrier or  
12 reseller with which the customer contracts for the provision of mobile  
13 telecommunications service;

14 "Mobile telecommunications company" mean a carrier providing  
15 mobile telecommunications service in this State;

16 "Mobile telecommunications service" means commercial mobile  
17 radio service, as defined in section 20.3 of title 47 of the Code of  
18 Federal Regulations as in effect on June 1, 1999 charged by a  
19 customer's home service provider and provided to a customer with a  
20 place of primary use in this State and which provides real-time, two-  
21 way voice service that is interconnected with the public switched  
22 network;

23 "Place of primary use" means the street address representative of  
24 where the customer's use of the mobile telecommunications service  
25 primarily occurs, which shall be the residential street address or the  
26 primary business street address of the customer and within the licensed  
27 service area of the home service provider. For the purposes of  
28 determining the place of primary use, the terms used have the  
29 meanings provided pursuant to the federal "Mobile  
30 Telecommunications Sourcing Act," 4 U.S.C. s.124 (Pub.L.106-252);

31 <sup>1</sup>[Telecommunications] telephone<sup>1</sup> exchange company" mean a  
32 carrier providing telephone exchange service in this State;

33 "Telephone exchange service" means that term as defined in  
34 subsection (47) of 47 U.S.C. s.153, as well as any other technology,  
35 including but not limited to, voice over Internet telephony or cable  
36 telephony, except mobile telecommunications service, that provides  
37 access through interconnection to the public switched telephone

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly ABU committee amendments adopted June 21, 2004.

1 network to 9-1-1 service; and

2 "Voice grade access" means a functionality that enables a user of  
3 telecommunications services to transmit voice communications,  
4 including signalling the network that the caller wishes to place a call,  
5 and to receive voice communications, including receiving a signal  
6 indicating there is an incoming call.

7

8 2. a. (1) There is imposed on each mobile telecommunications  
9 service customer, charged by a mobile telecommunications company  
10 for mobile telecommunications service for each voice grade access  
11 telephone number provided to the customer billed by or for the  
12 customer's home service provider and provided to a customer with a  
13 place of primary use in this State, a fee of \$0.90 on any periodic bill  
14 received by the customer for each voice grade access service number  
15 provided as part of the mobile telecommunications service.

16 (2) There is imposed on each customer charged by a  
17 <sup>1</sup>[telecommunications] telephone<sup>1</sup> exchange company for each voice  
18 grade access service line provided to that customer that has a service  
19 address in this State, a fee of \$0.90 on any periodic bill received by the  
20 customer for each voice grade access service line provided as part of  
21 that telephone exchange service. Each Private Branch Exchange  
22 (PBX) trunk <sup>1</sup>or Centrex trunk<sup>1</sup> equivalent shall constitute an  
23 individual and separate subscribed service line. Any customer that has  
24 been determined by their <sup>1</sup>[telecommunications] telephone<sup>1</sup> exchange  
25 company to be enrolled in the Lifeline Telecommunication program,  
26 or in receipt of Lifeline Telecommunication [and] or Universal Service  
27 Fund benefits for a periodic bill shall be exempt from the fee on that  
28 periodic bill. <sup>1</sup>State government agencies, and county and municipal  
29 governments and their agencies, and school districts shall be exempt  
30 from the fee imposed on customers of telephone exchange companies  
31 for each voice grade access service line provided as part of telephone  
32 exchange service provided to that customer at a service address in this  
33 State for periodic bills issued to those customers on and after January  
34 1, 2005.<sup>1</sup>

35 b. The fee imposed by paragraphs (1) and (2) of subsection a. of  
36 this section shall be collected by the mobile telecommunications  
37 company or <sup>1</sup>[telecommunications] telephone<sup>1</sup> exchange company  
38 providing the applicable service to its customers upon payment of any  
39 periodic bill for such service. This section shall not be deemed as  
40 extending to a <sup>1</sup>[telecommunications] telephone<sup>1</sup> exchange company  
41 or mobile telecommunications company any obligation or authority  
42 otherwise not provided pursuant to law, to take legal action to enforce  
43 the collection of the fee imposed upon the customer. Any such action  
44 shall be brought by the State against the customer with any  
45 cooperation requested by the State of the <sup>1</sup>[telecommunications]  
46 telephone<sup>1</sup> exchange company or mobile telecommunications company

1 as the State deems necessary.

2 c. The fees collected pursuant to subsection b. of this section shall  
3 be collected monthly and reported and paid to the director on a  
4 quarterly basis in a manner prescribed by the Director of the Division  
5 of Taxation in the Department of the Treasury, which notwithstanding  
6 the provisions of subsection b. of section 1 of P.L.1992, c.140  
7 (C.54:48-4.1) if any, to the contrary, shall be subject to the provisions  
8 of P.L.1992, c.140 as the director shall prescribe, and the State  
9 Treasurer shall credit the fee revenue to the <sup>1</sup>["Emergency  
10 Preparedness and 9-1-1 System] "9-1-1 System and Emergency  
11 Response<sup>1</sup> Trust Fund Account" established pursuant to section 3 of  
12 P.L. , c. (C. ) (now pending before the Legislature as this  
13 bill). The administration, collection and enforcement of the fee  
14 imposed by this act shall be subject to the provisions of the State  
15 Uniform Tax Procedure Law, R.S.54:48-1 et seq., to the extent that  
16 the provisions of such law are not inconsistent with any provision of  
17 this act.

18 <sup>1</sup>d. A telephone exchange company that provides telephone  
19 exchange service to the State government or any State government  
20 agency, a county or municipal government or any of its agencies, or a  
21 school district that is exempt for bills issued on and after January 1,  
22 2005, shall be entitled after that date to a credit in an amount as the  
23 Director of the Division shall determine within 60 days of application,  
24 against the amount of fees collected during and due to be paid over for  
25 the calendar quarter commencing on that date, for the reasonable costs  
26 certified by the telephone exchange company to have been incurred by  
27 the company for changes made to its billing system that are necessary  
28 to implement the exemption. The director shall consult with the Board  
29 of Public Utilities to ascertain from the board the reasonableness of the  
30 costs claimed to be incurred. The director and the board may adopt  
31 regulations necessary to administer the credit.<sup>1</sup>

32  
33 3. <sup>1</sup>a.<sup>1</sup> There is established in the Department of the Treasury  
34 within the General Fund a special account to be known as the  
35 <sup>1</sup>["Emergency Preparedness and 9-1-1 System] "9-1-1 System and  
36 Emergency Response<sup>1</sup> Trust Fund Account."

37 <sup>1</sup>b.<sup>1</sup> Funds credited to the <sup>1</sup>["Emergency Preparedness and 9-1-1  
38 System] "9-1-1 System and Emergency Response<sup>1</sup> Trust Fund  
39 Account" shall be annually appropriated for the purposes of paying<sup>1</sup>:  
40 (1)<sup>1</sup> eligible costs pursuant to the provisions of sections 13 and 14 of  
41 P.L.1989, c.3 (C.52:17C-13 and 52:17C-14) <sup>1</sup>[and]; (2)<sup>1</sup> the costs of  
42 funding the State's capital equipment <sup>1</sup>(including debt service)<sup>1</sup>,  
43 facilities and operating expenses that arise from emergency  
44 <sup>1</sup>[preparedness,] response; (3) the cost of<sup>1</sup> emergency response  
45 training, <sup>1</sup>[counter-terrorism measures, security at State facilities  
46 including transportation infrastructure, preparation for first responders

1 to chemical or bio-hazard emergencies, and] including<sup>1</sup> any <sup>1</sup>related  
 2 costs or<sup>1</sup> expenses of the Office of Emergency Management in the  
 3 Division of State Police in the Department of Law and Public Safety<sup>1</sup>;  
 4 (4) the cost of operating the Office of Emergency Telecommunications  
 5 Services created pursuant to section 3 of P.L.1989, c.3 (C.52:17C-3);  
 6 (5) the cost of operating the 9-1-1 Commission created pursuant to  
 7 section 2 of P.L.1989, c.3 (C.52:17C-2), (6) any costs associated with  
 8 implementing any requirement of the Federal Communications  
 9 Commission concerning 9-1-1 service that is not otherwise allocated  
 10 to a carrier and not eligible for reimbursement under law or regulation,  
 11 (7) any costs associated with planning, designing or implementing an  
 12 automatic location identification technology that is not otherwise  
 13 allocated to a wireless carrier and not eligible for reimbursement under  
 14 law or regulation; and (8) any costs associated with planning,  
 15 designing or acquiring replacement equipment or systems (including  
 16 debt service) related to the enhanced 9-1-1 network as defined by  
 17 subsection e. of section 1 of P.L.1989, c.3 (C.52:17C-1)<sup>1</sup>.

18

19 4. A mobile telecommunications company and a  
 20 <sup>1</sup>[telecommunications] telephone<sup>1</sup> exchange company collecting the  
 21 fee imposed pursuant to section 2 of P.L. , c. (C. ) (now  
 22 pending before the Legislature as this bill) shall itemize and separately  
 23 identify the fee set forth on each periodic bill received by the customer  
 24 as the <sup>1</sup>["Emergency Preparedness and 9-1-1 System Assessment."]  
 25 "9-1-1 System and Emergency Response Assessment," which  
 26 identification may be abbreviated as "911System/Emerg.Resp.Fee."  
 27 Provided however, that a mobile telecommunications company or  
 28 telephone exchange company may commence the separately identified  
 29 itemization of the periodic charge on periodic a bill issued to a  
 30 customer not later than October 1, 2004, but only if the customer's  
 31 first periodic bill issued on and after that date includes the separately  
 32 identified itemization for the periodic bills issued for the customer  
 33 during the months of July, August and September of 2004, if any, and  
 34 the fee imposed for the bills for those months is also set forth  
 35 separately for collection thereon from the customers.<sup>1</sup>

36

37 5. This act shall take effect immediately and apply to bills issued  
 38 for billing periods ending on or after July 1, 2004; except that for bills  
 39 issued for Private Branch Exchange (PBX) systems, Centrex systems  
 40 or other similar telecommunications services, this act shall apply to  
 41 such bills issued for billing periods ending on or after August 1, 2004.

42

43

44

45 Imposes a fee on mobile telecommunications and telephone exchange  
 46 customers for funding certain costs of the 9-1-1 system and emergency  
 47 response.

# ASSEMBLY, No. 3112

## STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 21, 2004

**Sponsored by:**

**Assemblyman WILFREDO CARABALLO**

**District 29 (Essex and Union)**

**SYNOPSIS**

Imposes a fee on mobile telecommunications and telecommunications exchange customers for funding certain costs of emergency preparedness and the 9-1-1 system.

**CURRENT VERSION OF TEXT**

As introduced.



A3112 CARABALLO

2

1 AN ACT imposing a fee on mobile telecommunications customers and  
2 telecommunications exchange customers for funding certain costs  
3 of emergency preparedness and the 9-1-1 system, supplementing  
4 chapter 17C of Title 52 of the Revised Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8

9 1. As use in this act:

10 "Home service provider" means the facilities-based carrier or  
11 reseller with which the customer contracts for the provision of mobile  
12 telecommunications service;

13 "Mobile telecommunications company" mean a carrier providing  
14 mobile telecommunications service in this State;

15 "Mobile telecommunications service" means commercial mobile  
16 radio service, as defined in section 20.3 of title 47 of the Code of  
17 Federal Regulations as in effect on June 1, 1999 charged by a  
18 customer's home service provider and provided to a customer with a  
19 place of primary use in this State and which provides real-time, two-  
20 way voice service that is interconnected with the public switched  
21 network;

22 "Place of primary use" means the street address representative of  
23 where the customer's use of the mobile telecommunications service  
24 primarily occurs, which shall be the residential street address or the  
25 primary business street address of the customer and within the licensed  
26 service area of the home service provider. For the purposes of  
27 determining the place of primary use, the terms used have the  
28 meanings provided pursuant to the federal "Mobile  
29 Telecommunications Sourcing Act," 4 U.S.C. s.124 (Pub.L.106-252);

30 "Telecommunications exchange company" mean a carrier providing  
31 telecommunications exchange service in this State;

32 "Telephone exchange service" means that term as defined in  
33 subsection (47) of 47 U.S.C. s.153, as well as any other technology,  
34 including but not limited to, voice over Internet telephony or cable  
35 telephony, except mobile telecommunications service, that provides  
36 access through interconnection to the public switched telephone  
37 network to 9-1-1 service; and

38 "Voice grade access" means a functionality that enables a user of  
39 telecommunications services to transmit voice communications,  
40 including signalling the network that the caller wishes to place a call,  
41 and to receive voice communications, including receiving a signal  
42 indicating there is an incoming call.

43

44 2. a. (1) There is imposed on each mobile telecommunications  
45 service customer, charged by a mobile telecommunications company  
46 for mobile telecommunications service for each voice grade access



A3112 CARABALLO

1 telephone number provided to the customer billed by or for the  
2 customer's home service provider and provided to a customer with a  
3 place of primary use in this State, a fee of \$0.90 on any periodic bill  
4 received by the customer for each voice grade access service number  
5 provided as part of the mobile telecommunications service.

6 (2) There is imposed on each customer charged by a  
7 telecommunications exchange company for each voice grade access  
8 service line provided to that customer that has a service address in this  
9 State, a fee of \$0.90 on any periodic bill received by the customer for  
10 each voice grade access service line provided as part of that  
11 telecommunications exchange service. Each Private Branch Exchange  
12 (PBX) trunk equivalent shall constitute an individual and separate  
13 subscribed service line. Any customer that has been determined by  
14 their telecommunications company to be enrolled in the Lifeline  
15 Telecommunication program, in receipt of Lifeline Telecommunication  
16 and Universal Service Fund benefits for a periodic bill shall be exempt  
17 from the fee on that periodic bill.

18 b. The fee imposed by paragraphs (1) and (2) of subsection a. of  
19 this section shall be collected by the mobile telecommunications  
20 company or telecommunications exchange company providing the  
21 applicable service to its customers upon payment of any periodic bill  
22 for such service. This section shall not be deemed as extending to a  
23 telecommunications exchange company or mobile telecommunications  
24 company any obligation or authority otherwise not provided pursuant  
25 to law, to take legal action to enforce the collection of the fee imposed  
26 upon the customer. Any such action shall be brought by the State  
27 against the customer with any cooperation requested by the State of  
28 the telecommunications exchange company or mobile  
29 telecommunications company as the State deems necessary.

30 c. The fees collected pursuant to subsection b. of this section shall  
31 be collected monthly and reported and paid to the director on a  
32 quarterly basis in a manner prescribed by the Director of the Division  
33 of Taxation in the Department of the Treasury, which notwithstanding  
34 the provisions of subsection b. of section 1 of P.L.1992, c.140  
35 (C.54:48-4.1) if any, to the contrary, shall be subject to the provisions  
36 of P.L.1992, c.140 as the director shall prescribe, and the State  
37 Treasurer shall credit the fee revenue to the "Emergency Preparedness  
38 and 9-1-1 System Trust Fund Account" established pursuant to section  
39 3 of P.L. , c. (C. ) (now pending before the Legislature as  
40 this bill). The administration, collection and enforcement of the fee  
41 imposed by this act shall be subject to the provisions of the State  
42 Uniform Tax Procedure Law, R.S.54:48-1 et seq., to the extent that  
43 the provisions of such law are not inconsistent with any provision of  
44 this act.

45

46 3. There is established in the Department of the Treasury within the

A3112 CARABALLO

1 General Fund a special account to be known as the "Emergency  
2 Preparedness and 9-1-1 System Trust Fund Account." Funds credited  
3 to the "Emergency Preparedness and 9-1-1 System Trust Fund  
4 Account" shall be annually appropriated for the purposes of paying  
5 eligible costs pursuant to the provisions of sections 13 and 14 of  
6 P.L.1989, c.3 (C.52:17C-13 and 52:17C-14) and the costs of funding  
7 the State's capital equipment, facilities and operating expenses that  
8 arise from emergency preparedness, emergency response training,  
9 counter-terrorism measures, security at State facilities including  
10 transportation infrastructure, preparation for first responders to  
11 chemical or bio-hazard emergencies, and any expenses of the Office of  
12 Emergency Management in the Division of State Police in the  
13 Department of Law and Public Safety.

14

15 4. A mobile telecommunications company and a  
16 telecommunications exchange company collecting the fee imposed  
17 pursuant to section 2 of P.L. , c. (C. ) (now pending before  
18 the Legislature as this bill) shall itemize and separately identify the fee  
19 set forth on each periodic bill received by the customer as the  
20 "Emergency Preparedness and 9-1-1 System Assessment."

21

22 5. This act shall take effect immediately and apply to bills issued  
23 for billing periods ending on or after July 1, 2004; except that for bills  
24 issued for Private Branch Exchange (PBX) systems, Centrex systems  
25 or other similar telecommunications services, this act shall apply to  
26 such bills issued for billing periods ending on or after August 1, 2004.

27

28

29

STATEMENT

30

31 This bill imposes an "Emergency Preparedness and 9-1-1 System  
32 Assessment" fee of \$.90 on customers on each period bill (1) charged  
33 by a mobile telecommunications company for each voice grade access  
34 service number as part of mobile telecommunications service provided  
35 to a customer billed by or for the customer's home service provider  
36 and provided to a customer with a place of primary use in this State,  
37 and (2) charged by a telecommunications exchange company for each  
38 telephone voice grade access service line provided as part of that  
39 telecommunications exchange service. Each Private Branch Exchange  
40 (PBX) trunk, or each Centrex trunk equivalent constitutes an  
41 individual and separate subscribed service line. Any customer that has  
42 been determined by their carrier to be enrolled in the Lifeline  
43 Telecommunication program or to have received Lifeline  
44 Telecommunication and Universal Service Fund benefits for a periodic  
45 bill will be exempt from the fee on that periodic bill. The fee will be  
46 itemized and separately identified on each periodic billing statement as

1 an "Emergency Preparedness and 9-1-1 System Assessment."

2 This bill will provide a stable source of revenue for replacing the  
3 current 9-1-1 infrastructure Statewide with a state-of-the-art enhanced  
4 9-1-1 system and will also be applied to pay for costs of funding the  
5 State's capital equipment, facilities and operating expenses that arise  
6 from emergency preparedness, emergency response training,  
7 counter-terrorism measures, security at State facilities including  
8 transportation infrastructure, preparation for first responders to  
9 chemical or bio-hazard emergencies, and any expenses of the Office of  
10 Emergency Management in the Division of State Police in the  
11 Department of Law and Public Safety.

12 The current 9-1-1 infrastructure is obsolete. New Jersey is  
13 encountering increasing difficulties in maintaining the current system,  
14 which at present only serves wireline customers adequately, although  
15 this service needs substantial upgrades to its land line backbone  
16 network. This current system is unable to process wireless calls at the  
17 same service level as calls originating from land line telephones, and  
18 will require significant Statewide enhancement.

19 The large number of calls now originating from wireless phones is  
20 placing a strain on the current system and hampering emergency  
21 response. There have been several incidents in other states in which  
22 the lack of this enhanced wireless technology has resulted in the  
23 inability of public safety personnel to respond in a timely manner to the  
24 proper location of need.

25 To compensate for these problems, the State has run public service  
26 announcements providing specialized instructions for people placing  
27 9-1-1 emergency calls from wireless phones. The replacement of the  
28 current system with an enhanced 9-1-1 system will provide the  
29 emergency services dispatcher with call-back and location information  
30 for the caller.

31 The State has established a tradition of providing 9-1-1 system  
32 equipment and maintaining this system without any cost to local  
33 governments. This bill is necessary to continue that tradition. Public  
34 safety demands that the State replace the current 9-1-1 system with a  
35 system that can provide adequate service to all telephone users.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 3112**

with Assembly committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 22, 2004

The Assembly Budget Committee reports favorably Assembly Bill No. 3112 with committee amendments.

Assembly Bill No. 3112, as amended imposes an "Emergency Preparedness and 9-1-1 System Assessment" fee of \$.90 on customers on each period bill (1) charged by a mobile telecommunications company for each voice grade access service number as part of mobile telecommunications service provided to a customer billed by or for the customer's home service provider and provided to a customer with a place of primary use in this State, and (2) charged by a telephone exchange company for each telephone voice grade access service line provided as part of that telephone exchange service. Each Private Branch Exchange (PBX) trunk, or each Centrex trunk equivalent, constitutes an individual and separate subscribed service line. Any customer that has been determined by their carrier to be enrolled in the Lifeline Telecommunication program or to have received Lifeline Telecommunication or Universal Service Fund benefits for a periodic bill will be exempt from the fee on that periodic bill. The fee will be itemized and separately identified on each periodic billing statement as an "Emergency Preparedness and 9-1-1 System Assessment." The bill allows the companies until October 1 to begin itemizing this fee. The first bill issued on or after that date is also to include the itemized fees for the three preceding months. The bill also exempts the State government, and county and municipal governments and school districts from the fee on telephone exchange services beginning on January 1, 2005. A credit may be allowed a telephone exchange company against its first quarter 2005 fee collections for the amount of reasonable costs incurred to implement this exemption.

This bill will provide a stable source of revenue for replacing the current 9-1-1 infrastructure Statewide with a state-of-the-art enhanced 9-1-1 system and will also be applied to pay for costs of funding the State's capital equipment, facilities and operating expenses that arise from emergency preparedness, emergency response training, counter-terrorism measures, security at State facilities including transportation infrastructure, preparation for first responders to

chemical or bio-hazard emergencies, and any expenses of the Office of Emergency Management in the Division of State Police in the Department of Law and Public Safety.

The current 9-1-1 infrastructure is obsolete. New Jersey is encountering increasing difficulties in maintaining the current system, which at present only serves wireline customers adequately, although this service needs substantial upgrades to its land line backbone network. This current system is unable to process wireless calls at the same service level as calls originating from land line telephones, and will require significant Statewide enhancement.

The large number of calls now originating from wireless phones is placing a strain on the current system and hampering emergency response. There have been several incidents in other states in which the lack of this enhanced wireless technology has resulted in the inability of public safety personnel to respond in a timely manner to the proper location of need.

To compensate for these problems, the State has run public service announcements providing specialized instructions for people placing 9-1-1 emergency calls from wireless phones. The replacement of the current system with an enhanced 9-1-1 system will provide the emergency services dispatcher with call-back and location information for the caller.

The State has established a tradition of providing 9-1-1 system equipment and maintaining this system without any cost to local governments. This bill is necessary to continue that tradition. Public safety demands that the State replace the current 9-1-1 system with a system that can provide adequate service to all telephone users.

As amended and reported by the committee, this bill is identical to Senate Bill No. 1716 Sca.

#### COMMITTEE AMENDMENTS

The committee amendments allow telephone exchange companies until October 1 to begin itemizing this fee. The first bill issued on or after that date is also to include the itemized fees for the three preceding months. The bill also exempts the State government, and county and municipal governments and school districts from the fee on telephone exchange services beginning on January 1, 2005. A credit may be allowed a telephone exchange company against its first quarter 2005 fee collections for the amount of reasonable costs incurred to implement this exemption. The amendments also correct the use of the term "telecommunications exchange company" to "telephone exchange company" that defines the companies that provide landline voice access to the public switched telephone network to 9-1-1 service.

#### FISCAL IMPACT

The Executive budget proposal projects annual revenue from the fee on wireless telephone services at \$33 million.

**SENATE, No. 1716**

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**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

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INTRODUCED JUNE 14, 2004

**Sponsored by:**

**Senator WAYNE R. BRYANT**

**District 5 (Camden and Gloucester)**

**SYNOPSIS**

Imposes a fee on mobile telecommunications and telecommunications exchange customers for funding certain costs of emergency preparedness and the 9-1-1 system.

**CURRENT VERSION OF TEXT**

As introduced.



S1716 BRYANT

2

1 AN ACT imposing a fee on mobile telecommunications customers and  
2 telecommunications exchange customers for funding certain costs  
3 of emergency preparedness and the 9-1-1 system, supplementing  
4 chapter 17C of Title 52 of the Revised Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8

9 1. As use in this act:

10 "Home service provider" means the facilities-based carrier or  
11 reseller with which the customer contracts for the provision of mobile  
12 telecommunications service;

13 "Mobile telecommunications company" mean a carrier providing  
14 mobile telecommunications service in this State;

15 "Mobile telecommunications service" means commercial mobile  
16 radio service, as defined in section 20.3 of title 47 of the Code of  
17 Federal Regulations as in effect on June 1, 1999 charged by a  
18 customer's home service provider and provided to a customer with a  
19 place of primary use in this State and which provides real-time, two-  
20 way voice service that is interconnected with the public switched  
21 network;

22 "Place of primary use" means the street address representative of  
23 where the customer's use of the mobile telecommunications service  
24 primarily occurs, which shall be the residential street address or the  
25 primary business street address of the customer and within the licensed  
26 service area of the home service provider. For the purposes of  
27 determining the place of primary use, the terms used have the  
28 meanings provided pursuant to the federal "Mobile  
29 Telecommunications Sourcing Act," 4 U.S.C. s.124 (Pub.L.106-252);

30 "Telecommunications exchange company" mean a carrier providing  
31 telephone exchange service in this State;

32 "Telephone exchange service" means that term as defined in  
33 subsection (47) of 47 U.S.C. s.153, as well as any other technology,  
34 including but not limited to, voice over Internet telephony or cable  
35 telephony, except mobile telecommunications service, that provides  
36 access through interconnection to the public switched telephone  
37 network to 9-1-1 service; and

38 "Voice grade access" means a functionality that enables a user of  
39 telecommunications services to transmit voice communications,  
40 including signalling the network that the caller wishes to place a call,  
41 and to receive voice communications, including receiving a signal  
42 indicating there is an incoming call.

43

44 2. a. (1) There is imposed on each mobile telecommunications  
45 service customer, charged by a mobile telecommunications company  
46 for mobile telecommunications service for each voice grade access

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1 telephone number provided to the customer billed by or for the  
2 customer's home service provider and provided to a customer with a  
3 place of primary use in this State, a fee of \$0.90 on any periodic bill  
4 received by the customer for each voice grade access service number  
5 provided as part of the mobile telecommunications service.

6 (2) There is imposed on each customer charged by a  
7 telecommunications exchange company for each voice grade access  
8 service line provided to that customer that has a service address in this  
9 State, a fee of \$0.90 on any periodic bill received by the customer for  
10 each voice grade access service line provided as part of that telephone  
11 exchange service. Each Private Branch Exchange (PBX) trunk  
12 equivalent shall constitute an individual and separate subscribed  
13 service line. Any customer that has been determined by their  
14 telecommunications exchange company to be enrolled in the Lifeline  
15 Telecommunication program, in receipt of Lifeline Telecommunication  
16 and Universal Service Fund benefits for a periodic bill shall be exempt  
17 from the fee on that periodic bill.

18 b. The fee imposed by paragraphs (1) and (2) of subsection a. of  
19 this section shall be collected by the mobile telecommunications  
20 company or telecommunications exchange company providing the  
21 applicable service to its customers upon payment of any periodic bill  
22 for such service. This section shall not be deemed as extending to a  
23 telecommunications exchange company or mobile telecommunications  
24 company any obligation or authority otherwise not provided pursuant  
25 to law, to take legal action to enforce the collection of the fee imposed  
26 upon the customer. Any such action shall be brought by the State  
27 against the customer with any cooperation requested by the State of  
28 the telecommunications exchange company or mobile  
29 telecommunications company as the State deems necessary.

30 c. The fees collected pursuant to subsection b. of this section shall  
31 be collected monthly and reported and paid to the director on a  
32 quarterly basis in a manner prescribed by the Director of the Division  
33 of Taxation in the Department of the Treasury, which notwithstanding  
34 the provisions of subsection b. of section 1 of P.L.1992, c.140  
35 (C.54:48-4.1) if any, to the contrary, shall be subject to the provisions  
36 of P.L.1992, c.140 as the director shall prescribe, and the State  
37 Treasurer shall credit the fee revenue to the "Emergency Preparedness  
38 and 9-1-1 System Trust Fund Account" established pursuant to section  
39 3 of P.L. , c. (C. ) (now pending before the Legislature as  
40 this bill). The administration, collection and enforcement of the fee  
41 imposed by this act shall be subject to the provisions of the State  
42 Uniform Tax Procedure Law, R.S.54:48-1 et seq., to the extent that  
43 the provisions of such law are not inconsistent with any provision of  
44 this act.

45

46 3. There is established in the Department of the Treasury within the



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4

1 General Fund a special account to be known as the "Emergency  
2 Preparedness and 9-1-1 System Trust Fund Account." Funds credited  
3 to the "Emergency Preparedness and 9-1-1 System Trust Fund  
4 Account" shall be annually appropriated for the purposes of paying  
5 eligible costs pursuant to the provisions of sections 13 and 14 of  
6 P.L.1989, c.3 (C.52:17C-13 and 52:17C-14) and the costs of funding  
7 the State's capital equipment, facilities and operating expenses that  
8 arise from emergency preparedness, emergency response training,  
9 counter-terrorism measures, security at State facilities including  
10 transportation infrastructure, preparation for first responders to  
11 chemical or bio-hazard emergencies, and any expenses of the Office of  
12 Emergency Management in the Division of State Police in the  
13 Department of Law and Public Safety.

14

15 4. A mobile telecommunications company and a  
16 telecommunications exchange company collecting the fee imposed  
17 pursuant to section 2 of P.L. , c. (C. ) (now pending before  
18 the Legislature as this bill) shall itemize and separately identify the fee  
19 set forth on each periodic bill received by the customer as the  
20 "Emergency Preparedness and 9-1-1 System Assessment."

21

22 5. This act shall take effect immediately and apply to bills issued for  
23 billing periods ending on or after July 1, 2004; except that for bills  
24 issued for Private Branch Exchange (PBX) systems, Centrex systems  
25 or other similar telecommunications services, this act shall apply to  
26 such bills issued for billing periods ending on or after August 1, 2004.

27

28

29

**STATEMENT**

30

31 This bill imposes an "Emergency Preparedness and 9-1-1 System  
32 Assessment" fee of \$.90 on customers on each period bill (1) charged  
33 by a mobile telecommunications company for each voice grade access  
34 service number as part of mobile telecommunications service provided  
35 to a customer billed by or for the customer's home service provider  
36 and provided to a customer with a place of primary use in this State,  
37 and (2) charged by a telecommunications exchange company for each  
38 telephone voice grade access service line provided as part of that  
39 telephone exchange service. Each Private Branch Exchange (PBX)  
40 trunk, or each Centrex trunk equivalent constitutes an individual and  
41 separate subscribed service line. Any customer that has been  
42 determined by their carrier to be enrolled in the Lifeline  
43 Telecommunication program or to have received Lifeline  
44 Telecommunication and Universal Service Fund benefits for a periodic  
45 bill will be exempt from the fee on that periodic bill. The fee will be  
46 itemized and separately identified on each periodic billing statement as

1 an "Emergency Preparedness and 9-1-1 System Assessment."

2 This bill will provide a stable source of revenue for replacing the  
3 current 9-1-1 infrastructure Statewide with a state-of-the-art enhanced  
4 9-1-1 system and will also be applied to pay for costs of funding the  
5 State's capital equipment, facilities and operating expenses that arise  
6 from emergency preparedness, emergency response training,  
7 counter-terrorism measures, security at State facilities including  
8 transportation infrastructure, preparation for first responders to  
9 chemical or bio-hazard emergencies, and any expenses of the Office of  
10 Emergency Management in the Division of State Police in the  
11 Department of Law and Public Safety.

12 The current 9-1-1 infrastructure is obsolete. New Jersey is  
13 encountering increasing difficulties in maintaining the current system,  
14 which at present only serves wireline customers adequately, although  
15 this service needs substantial upgrades to its land line backbone  
16 network. This current system is unable to process wireless calls at the  
17 same service level as calls originating from land line telephones, and  
18 will require significant Statewide enhancement.

19 The large number of calls now originating from wireless phones is  
20 placing a strain on the current system and hampering emergency  
21 response. There have been several incidents in other states in which  
22 the lack of this enhanced wireless technology has resulted in the  
23 inability of public safety personnel to respond in a timely manner to the  
24 proper location of need.

25 To compensate for these problems, the State has run public service  
26 announcements providing specialized instructions for people placing  
27 9-1-1 emergency calls from wireless phones. The replacement of the  
28 current system with an enhanced 9-1-1 system will provide the  
29 emergency services dispatcher with call-back and location information  
30 for the caller.

31 The State has established a tradition of providing 9-1-1 system  
32 equipment and maintaining this system without any cost to local  
33 governments. This bill is necessary to continue that tradition. Public  
34 safety demands that the State replace the current 9-1-1 system with a  
35 system that can provide adequate service to all telephone users.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 1716**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 22, 2004

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 1716.

This bill, as amended, imposes a "9-1-1 System and Emergency Response" assessment of \$.90 on customers on each period bill (1) charged by a mobile telecommunications company for each voice grade access service number as part of mobile telecommunications service provided to a customer billed by or for the customer's home service provider and provided to a customer with a place of primary use in this State, and (2) charged by a telephone exchange company for each telephone voice grade access service line provided as part of that telephone exchange service. Each Private Branch Exchange (PBX) trunk, or Centrex trunk equivalent, would constitute an individual and separate subscribed service line. Customers that have been determined by their carrier to be enrolled in the Lifeline Telecommunication program or to have received Lifeline Telecommunication or Universal Service Fund benefits for a periodic bill will be exempt from the fee on that periodic bill. The fee will be itemized and separately identified on each periodic billing statement as a "9-1-1 System and Emergency Response Assessment." The bill allows the companies until October 1 to begin itemizing this fee. The first bill issued on or after that date is also to include the itemized fees for the three preceding months. The bill exempts the State government, and county and municipal governments and school districts from the fee on telephone exchange services beginning on January 1, 2005. A credit may be allowed a telephone exchange company against its first quarter 2005 fee collections for the amount of reasonable costs incurred to implement this exemption.

This bill will provide a stable source of revenue for replacing the current 9-1-1 infrastructure Statewide with a state-of-the-art enhanced 9-1-1 system. Revenue from the new assessment will also be applied to pay for costs of funding the State's capital equipment, facilities and operating expenses that arise from emergency response, emergency response training, operations of the Office of Emergency Management in the Division of State Police in the Department of Law and Public

Safety, and various other specified expenses.

COMMITTEE AMENDMENTS

Committee amendments to this bill:

(1) Add the provision allowing telephone exchange companies until October 1 to begin itemizing this fee and requiring that the first bill issued on or after that date include the itemized fees for the three preceding months;

(2) Add the provision exempting the State government, and county and municipal governments and school districts from the fee on telephone exchange services and allowing the related credit to telephone exchange companies for expenses of implementing the exemption;

(3) Correct the use of the term "telecommunications exchange company" to "telephone exchange company" that defines the companies that provide landline voice access to the public switched telephone network to 9-1-1 service;

(4) Revise the uses to which revenue from the fee may be put, removing references to counter-terrorism and bio-hazard emergency response preparedness and providing instead for use of the revenue to defray the costs of operating the Office of Emergency Telecommunications Services and the 9-1-1 Commission, the costs (to the extent not eligible for reimbursement) of meeting federal FCC mandates concerning 9-1-1 service and of implementing an automatic location identification technology, and costs associated with the enhanced 9-1-1 network; and

(5) Redesignate the assessment to reflect the changes in the purposes to which revenue from the assessment will be applied, and authorize the use of an abbreviated form of that designation on customer bills.

FISCAL IMPACT

It is estimated that the telecommunications assessments established under this bill will provide annual State revenue of about \$116 million.