

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE BILL 797\*  
Finance Committee Substitute Adopted 6/10/14

Short Title: 911 Board/Back-up PSAP.

(Public)

Sponsors:

Referred to:

May 20, 2014

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE DUTIES OF THE 911 BOARD RELATING TO PUBLIC  
3 SAFETY ANSWERING POINTS, AS RECOMMENDED BY THE JOINT  
4 LEGISLATIVE OVERSIGHT COMMITTEE ON INFORMATION TECHNOLOGY,  
5 AND TO CLARIFY THE COLLECTION AUTHORITY OF THE DEPARTMENT OF  
6 REVENUE FOR THE 911 FEE ON PREPAID WIRELESS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.1.** G.S. 62A-42(a) is amended by adding a new subsection to read:

9 "(4a) Back-up PSAP. – A facility equipped to operate as part of the 911 System  
10 and all other features of its associated primary PSAP. The term includes a  
11 back-up PSAP that receives 911 calls only when they are transferred from  
12 the primary PSAP or on an alternate routing basis when calls cannot be  
13 completed to the primary PSAP."

14 **SECTION 1.2.** G.S. 62A-42(a) reads as rewritten:

15 "(a) Duties. – The 911 Board has the following powers and duties:

16 (1) To develop the 911 State Plan. In developing and updating the plan, the 911  
17 Board must monitor trends in voice communications service technology and  
18 in enhanced 911 service technology, investigate and incorporate GIS  
19 mapping and other resources into the plan, ensure individual PSAP plans  
20 incorporate a back-up PSAP, and formulate strategies for the efficient and  
21 effective delivery of enhanced 911 service.

22 ...

23 (4) To establish policies and procedures to fund advisory services and training  
24 for PSAPs, to set operating standards for PSAPs, and back-up PSAPs and to  
25 provide funds in accordance with these policies, procedures, and standards.

26 ...."

27 **SECTION 1.3.** G.S. 62A-46 reads as rewritten:

28 "§ 62A-46. **Fund distribution to PSAPs.**

29 (a) Monthly Distribution. – The 911 Board must make monthly distributions to primary  
30 PSAPs from the amount allocated to the 911 Fund for PSAPs. A PSAP is not eligible for a  
31 distribution under this section unless it complies with the requirements of this Article, provides  
32 enhanced 911 ~~service-service~~, and received distributions from the 911 Board in the 2008-2009  
33 fiscal year. The Board may reduce, suspend, or terminate distributions under this subsection if a  
34 PSAP does not comply with the requirements of this Article. The Board must comply with all  
35 of the following:



- 1           (1) Administration. – The Board must notify PSAPs of the estimated  
2           distributions no later than December 31 of each year. The Board must  
3           determine actual distributions no later than June 1 of each year. The Board  
4           must determine a method for establishing distributions that is equitable and  
5           sustainable and that ensures distributions for eligible operating costs and  
6           anticipated increases for all funded PSAPs. The Board must establish a  
7           formula to determine each PSAP's base amount. The formula must be  
8           determined and published to PSAPs in the first quarter of the fiscal year  
9           preceding the fiscal year in which the formula is used. The Board may not  
10          change the funding formula for the base amount more than once every year.
- 11          (2) Reports. – The Board must report to the Joint Legislative Commission on  
12          Governmental Operations and the Revenue Laws Study Committee within  
13          45 days of a change in the funding formula. The report must contain a  
14          description of the differences in the old and new formulas and the projected  
15          distributions to each PSAP from the new formula.
- 16          (3) Formula. – The funding formula established by the Board must consider all  
17          of the following:
- 18           a. The population of the area served by a PSAP.
- 19           b. PSAP reports and budgets, disbursement histories, and historical  
20           costs.
- 21           c. PSAP operations, 911 technologies used by the PSAP, compliance  
22           with operating standards of the 911 Board, level of service a PSAP  
23           delivers dispatching fire, emergency medical services, law  
24           enforcement, and Emergency Medical Dispatch.
- 25           d. The tier designation of the county in which the PSAP is located as  
26           designated in G.S. 143B-437.08.
- 27           e. Any interlocal government funding agreement between a primary  
28           PSAP and a secondary PSAP, if the secondary PSAP was in  
29           existence as of June 1, 2010, receives funding under the agreement,  
30           and is within the service area of the primary PSAP.
- 31           f. Any other information the Board considers relevant.
- 32          (4) Additional distributions. – In the first quarter of the Board's fiscal year, the  
33          Board must determine whether payments to PSAPs during the preceding  
34          fiscal year exceeded or were less than the eligible costs incurred by each  
35          PSAP during the fiscal year. If a PSAP receives less than its eligible costs in  
36          any fiscal year, the Board may increase a PSAP's distribution in the  
37          following fiscal year above the base amount as determined by the formula to  
38          meet the estimated eligible costs of the PSAP as determined by the Board.  
39          The Board may not distribute less than the base amount to each PSAP except  
40          as provided in subsection (b1) of this section. The Board must provide a  
41          procedure for a PSAP to request a reconsideration of its distribution or  
42          eligible expenses.
- 43          ...
- 44          (c) Use of Funds. – A PSAP that receives a distribution from the 911 Fund may not use  
45          the amount received to pay for the lease or purchase of real estate, cosmetic remodeling of  
46          emergency dispatch centers, hiring or compensating telecommunicators, or the purchase of  
47          mobile communications vehicles, ambulances, fire engines, or other emergency vehicles.  
48          Distributions received by a PSAP may be used only to pay for the following:
- 49           (1) The lease, purchase, or maintenance of:
- 50           a. Emergency telephone equipment, including necessary computer  
51           hardware, software, and database provisioning.

- 1                   b.     Addressing.
- 2                   c.     Telecommunicator furniture.
- 3                   d.     Dispatch equipment located exclusively within a building where a
- 4                         PSAP or back-up PSAP is located, excluding the costs of base station
- 5                         transmitters, towers, microwave links, and antennae used to dispatch
- 6                         emergency call information from the ~~PSAP~~PSAP or back-up PSAP.
- 7           (1a)    The nonrecurring costs of establishing a 911 system.
- 8           (2)    Expenditures for in-State training of 911 personnel regarding the
- 9                   maintenance and operation of the 911 system. Allowable training expenses
- 10                   include the cost of transportation, lodging, instructors, certifications,
- 11                   improvement programs, quality assurance training, training associated with
- 12                   call taking, and emergency medical, fire, or law enforcement procedures,
- 13                   and training specific to managing a PSAP or supervising PSAP staff.
- 14                   Training outside the State is not an eligible expenditure unless the training is
- 15                   unavailable in the State or the PSAP documents that the training costs are
- 16                   less if received out-of-state. Training specific to the receipt of 911 calls is
- 17                   allowed only for intake and related call taking quality assurance and
- 18                   improvement. Instructor certification costs and course required prerequisites,
- 19                   including physicals, psychological exams, and drug testing, are not
- 20                   allowable expenditures.
- 21           (3)    Charges associated with the service supplier's 911 service and other service
- 22                   supplier recurring charges. The PSAP providing 911 service is responsible to
- 23                   the voice communications service provider for all 911 installation, service,
- 24                   equipment, operation, and maintenance charges owed to the voice
- 25                   communications service provider. A PSAP may contract with a voice
- 26                   communications service provider on terms agreed to by the PSAP and the
- 27                   provider.
- 28           ...
- 29           (e)    Compliance. – A PSAP, or the governing entity of a PSAP, must comply with all of
- 30           the following in order to receive a distribution under this section:
- 31                   (1)    A county or municipality that has one or more PSAPs must submit in writing
- 32                   to the 911 Board information that identifies the PSAPs in the manner
- 33                   required by the FCC Order.
- 34                   (2)    A participating PSAP must annually submit to the 911 Board a copy of its
- 35                   governing agency's proposed or approved budget detailing the revenues and
- 36                   expenditures associated with the operation of the PSAP. The PSAP budget
- 37                   must identify revenues and expenditures for eligible expense
- 38                   reimbursements as provided in this Article and rules adopted by the 911
- 39                   Board.
- 40                   (3)    A PSAP must be included in its governing entity's annual audit required
- 41                   under the Local Government Budget and Fiscal Control Act. The Local
- 42                   Government Commission must provide a copy of each audit of a local
- 43                   government entity with a participating PSAP to the 911 Board.
- 44                   (4)    A PSAP must comply with all requests by the 911 Board for financial
- 45                   information related to the operation of the PSAP.
- 46                   (4a)   A PSAP must have a plan and means for 911 call-taking in the event 911
- 47                   calls cannot be received and processed in the primary PSAP.
- 48                   (5)    A primary PSAP must comply with the rules, policies, procedures, and
- 49                   operating standards for primary PSAPs adopted by the 911 Board.
- 50           ...."

1           **SECTION 1.4.** Sections 1.1 through 1.4 of this act are effective when this act  
2 becomes law and apply to distributions made on or after July 1, 2016.

3           **SECTION 2.1.** G.S. 62A-54(c) reads as rewritten:

4           "(c) Administration. – Administration, auditing, requests for review, making returns,  
5 collection of tax debts, promulgation of rules and regulations by the Secretary of Revenue,  
6 additional taxes and liens, assessments, refunds, and penalty provisions of Article 9 of Chapter  
7 105 of the General Statutes apply to the collection of the 911 service charge for prepaid  
8 wireless telecommunications service. An audit of the collection of the 911 service charge for  
9 prepaid wireless telecommunications service shall only be conducted in connection with an  
10 audit of the taxes imposed by Article 5 of Chapter 105 of the General Statutes. Underpayments  
11 shall be subject to the same interest rate as imposed for taxes under G.S. 105-241.21.  
12 Overpayments shall be subject to the same interest rate as imposed for taxes under  
13 G.S. 105-241.21(c)(2). Excessive and erroneous collections of the service charge will be  
14 subject to G.S. 105-164.11. The Department of Revenue shall establish procedures for a seller  
15 of prepaid wireless telecommunications service to document that a sale is not a retail  
16 transaction, and the procedures established shall substantially coincide with the procedures for  
17 documenting a sale for resale transaction under G.S. 105-164.28. The Secretary of Revenue  
18 may retain the costs of collection from the remittances received under subsection (b) of this  
19 section, not to exceed five hundred thousand dollars (\$500,000) a year of the total 911 service  
20 charges for prepaid wireless telecommunications service remitted to the Department. Within 45  
21 days of the end of each month in which 911 service charges for prepaid wireless  
22 telecommunications service are remitted to the Department, the Secretary of Revenue shall  
23 transfer the total 911 service charges remitted to the Department less the costs of collection to  
24 the 911 Fund established under G.S. 62A-44."

25           **SECTION 2.2.** Section 8 of S.L. 2011-122, as amended by Section 52 of S.L.  
26 2013-414, is repealed.

27           **SECTION 2.3.** Notwithstanding G.S. 62A-54(c), the Department may retain six  
28 hundred and forty thousand dollars (\$640,000) of the 911 fee service charges for prepaid  
29 wireless telecommunications service remitted to the Department in the 2014-2015 fiscal year.

30           **SECTION 2.4.** Sections 2.1 through 2.4 of this act become effective July 1, 2014.