

Section 1:

HB 229 SCS elements the requirement for PSAPs to prorate expenses between wireless and landline services. The 2.5% of the monthly revenues deposited into the CMRS fund will no longer be used to reimburse the actual expenses incurred by tier III CMRS providers.

These funds will be used to establish and maintain statewide *next generation 911* initiatives. Fund disbursements will be used for equipment, hardware, software, or contracted services used in the preparation for, or delivery of, next generation 911 services, transitioning from analog to digital and allowing wireless 911 calls to be delivered to PSAPs.

Section 2:

HB 229 SCS expands the definition of *prepaid wireless telecommunications service* to mean a wireless service that is required to be paid for in advance and is either sold in predetermined units, dollars, or time which decline at a known rate with use, or sold for unlimited use during a predetermined period of time.

Section 3:

The CMRS fund is currently supported with a .93 cent prepaid service charge on cellular phones with preloaded minutes or units of air time or rebates for air time, preloaded calling card, or the recharging of a reusable calling card or cellular phone. HB 299 expands the taxable base to include any *prepaid wireless telecommunications service*.

HB 229 SCS 1 will have no impact on local governments.

Because the funding mechanism is already in place, no 911 fees will be raised and there will be no additional financial burden placed upon taxpayers.

Part III: Differences to Local Government Mandate Statement from Prior Versions

HB 229 SCS 1 retains the provisions of HB 229 GA with the following additions:

- Expands the definition of prepaid wireless telecommunications service.
- Expands the CMRS tax to include prepaid wireless telecommunications service

HB 229 GA retains all the provisions of HB 229 as introduced. There are no changes.

Part II refers to HB 229 as introduced.

Data Source(s): LRC Staff, Kentucky Office of Homeland Security

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