

---

---

# A BILL FOR AN ACT

RELATING TO ENHANCED 911 SERVICES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 138, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§138-    Prepaid wireless E911 surcharge. (a) A prepaid  
5 wireless E911 surcharge of 66 cents shall be imposed on each  
6 retail transaction of prepaid wireless telecommunications  
7 service. The prepaid wireless E911 surcharge shall be the  
8 liability of the consumer and not of the seller or provider.

9           (b) The prepaid wireless E911 surcharge shall be collected  
10 by the seller from the consumer with respect to each retail  
11 transaction occurring within the State. The amount of the  
12 prepaid wireless E911 surcharge shall be separately listed on an  
13 invoice, receipt, or other similar document that is provided to  
14 the consumer by the seller.

15           (c) A retail transaction that is transacted in person by a  
16 consumer at a seller's business location shall be treated as  
17 occurring within the State if the business location is within  
18 the State. A transaction shall also be treated as occurring



1 within the State if the tangible personal property is shipped  
2 and the customer's shipping address is within the State or, if  
3 there is no shipment, if the customer's billing address is  
4 within the State. If no tangible personal property is shipped  
5 and the customer's billing address is not known, the transaction  
6 shall be treated as occurring within the State if the consumer's  
7 mobile telephone is associated with an address within the State.

8 (d) A seller may deduct and retain three per cent of  
9 prepaid wireless E911 surcharges collected from consumers. The  
10 seller shall remit to the board the balance of prepaid wireless  
11 E911 surcharges collected from consumers, including all  
12 surcharges collected where the amount of the surcharge has not  
13 been separately stated on an invoice, receipt, or other similar  
14 document provided to the consumer by the seller. The board may  
15 require sellers to remit the balance of the surcharges collected  
16 electronically and shall establish registration and payment  
17 procedures.

18 (e) The amount of the prepaid wireless E911 surcharge that  
19 is collected by a seller from a consumer shall not be included  
20 in the base for measuring any tax, fee, surcharge, or other



1 charge that is imposed by the State, any political subdivision  
2 of the State, or any governmental agency.

3 (f) If a minimal amount of prepaid wireless  
4 telecommunications service is sold with a prepaid wireless  
5 device for a single, non-itemized price, the seller shall not  
6 apply the surcharge imposed in subsection (a) to the  
7 transaction. For purposes of this subsection, a "minimal  
8 amount" means service of ten minutes or less or \$5 or less.

9 (g) The board shall establish procedures by which a seller  
10 of prepaid wireless telecommunications service may document that  
11 a sale is not a retail transaction.

12 (h) Within thirty days of receipt and for use in  
13 accordance with the purposes of chapter 138, the board shall  
14 transfer all remitted prepaid wireless E911 surcharges to the  
15 enhanced E911 fund pursuant to section 138-3.

16 (i) Section 138-9 shall apply to providers and sellers.

17 (j) No provider or seller shall be liable for damages to  
18 any person resulting from or incurred in connection with the  
19 provision of any lawful assistance to any investigative or law  
20 enforcement officer of the United States or any political



1 subdivision, in connection with any lawful investigation or  
2 other law enforcement activity by such law enforcement officer.

3 (k) The prepaid wireless E911 surcharge imposed by this  
4 section shall be the only funding obligation imposed on prepaid  
5 wireless telecommunications service in the State for enhanced  
6 911 services. No other tax, fee, surcharge, or other charge for  
7 enhanced 911 services shall be imposed by the State, any  
8 political subdivision of the State, or any governmental agency,  
9 upon any provider, seller, or consumer with respect to the sale,  
10 purchase, use, or provision of prepaid wireless  
11 telecommunications service."

12 SECTION 2. Section 138-1, Hawaii Revised Statutes, is  
13 amended by adding seven new definitions to be appropriately  
14 inserted and to read as follows:

15 "Consumer" means a person who purchases prepaid wireless  
16 telecommunications service in a retail transaction.

17 "Prepaid wireless E911 surcharge" means the surcharge that  
18 is required to be collected by a seller from a consumer in the  
19 amount established under section 138- .

20 "Prepaid wireless telecommunications service" means a  
21 wireless telecommunications service that is sold in



1 predetermined (minutes usage or period of time) units or dollars  
2 that decline with use in a known amount and allows a caller to  
3 dial 911 to access the 911 system, a service that shall be paid  
4 for in advance.

5 "Provider" means a person that provides prepaid wireless  
6 telecommunications service pursuant to a license issued by the  
7 Federal Communications Commission.

8 "Retail transaction" means the purchase of prepaid wireless  
9 telecommunications service from a seller for any purpose other  
10 than resale.

11 "Seller" means a person who sells prepaid wireless  
12 telecommunications service to another person.

13 "Wireless telecommunications service" means commercial  
14 mobile radio service as defined by title 47 Code of Federal  
15 Regulations section 20.3."

16 SECTION 3. Section 138-3, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "§138-3 **Enhanced 911 fund.** There is established outside  
19 the state treasury a special fund, to be known as the enhanced  
20 911 fund, to be administered by the board. The fund shall  
21 consist of amounts collected under [~~section~~] sections 138-4 [-]



1 and 138- . The board shall place the funds in an interest-  
 2 bearing account at any federally insured financial institution,  
 3 separate and apart from the general fund of the State. Moneys  
 4 in the fund shall be expended exclusively by the board for the  
 5 purposes of ensuring adequate funding to deploy and sustain  
 6 enhanced 911 service, developing and funding future enhanced 911  
 7 technologies, and funding expenses of administering the fund."

8 SECTION 4. Section 138-4, Hawaii Revised Statutes, is  
 9 amended by amending subsection (b) to read as follows:

10 "(b) The rate of the surcharge shall be set at 66 cents  
 11 per month for each communications service connection. The  
 12 surcharge shall have uniform application and shall be imposed on  
 13 each communications service connection operating within the  
 14 State except:

15 (1) Connections billed to federal, state, and county  
 16 governmental entities;

17 [~~(2) Prepaid connections,~~] and

18 [~~(3)~~] (2) Connections provided by the public utility  
 19 providing telecommunications services and land line  
 20 enhanced 911 services through section 269-16.95."



1           SECTION 5. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3           SECTION 6. This Act shall take effect on July 1, 2017.

4



**Report Title:**

Prepaid Wireless; Enhanced 911 Services

**Description:**

Establishes a prepaid wireless E911 surcharge of 66 cents per retail transaction of prepaid wireless telecommunications service at the point of sale. Allows sellers to deduct and retain 3 per cent of the surcharge that is collected. Requires the amounts collected by the Enhanced 911 Board to be placed in the Enhanced 911 Fund. Effective on July 1, 2017. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

