ACT #2025 - 376

HB263

7DNPE2E-2

By Representatives Oliver, Wood (D)

RFD: Ways and Means General Fund

First Read: 12-Feb-25

Enrolled, An Act,

Relating to the 911 Fund; to amend Section 11-98-5.2, Code of Alabama 1975, to further provide for the distribution of monies to local 911 districts; to allocate revenue to administer a state 911 voice and data system and designate uses for remaining funds; and to make nonsubstantive, technical revisions to update the existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-98-5.2, Code of Alabama 1975, is amended to read as follows:

"§11-98-5.2

(a) Effective October 1, 2013, the 911 Fund shall be created as an insured interest-bearing account into which the 911 Board shall deposit all revenues derived from the service charge levied on voice communications service providers under this chapter and all prepaid wireless 911 charges received from the department. The revenues deposited into the 911 Fund shall not be monies or property of the state and shall not be subject to appropriation by the Legislature. The 911 Board shall administer the fund and shall credit the 911 Fund all revenues received. The fund and revenues generated by the fund may only be used as provided in this chapter.

(b) Effective October 1, 2013, there shall first be deducted, no more than ~~one time~~once during each calendar month, from the total amount of the statewide 911 charges paid over to the 911 Board during ~~such~~the month, a sum not to

exceed one percent of the total amount, to be applied by the 911 Board exclusively for payment of administrative expenses ~~theretofore~~ incurred by it and, at the board's discretion, the awarding of additional operational grants to districts outside of the other distribution criteria in this subsection upon a showing of hardship. The balance of the total amount of the statewide 911 charges paid over to the 911 Board during each calendar month shall be deposited into the 911 Fund and shall be apportioned and distributed in accordance with ~~the succeeding provisions~~ of this subsection.

(1) There shall be distributed each month among all ~~then existing~~ districts, from the monies ~~moneys then~~ on deposit in the 911 Fund, an aggregate amount equal to ~~the sum of a.~~ 80 percent of ~~the portion of the statewide 911 charges remitted to the 911 Board with respect to the month by CMRS providers and for prepaid wireless 911 charges, plus b. 100 percent of~~ all ~~other~~ statewide 911 charges remitted to the 911 Board with respect to the month or an amount sufficient to satisfy the base distribution amount as defined in subdivisions (3) and (4), whichever is larger.

(2) There shall be paid each month to each ~~then existing~~ district, out of the amount described in subdivision (1), one-twelfth of the sum of the base distribution amount defined, as applicable, in subdivisions (3) and (4), plus the per capita distribution amount defined in subdivision (5).

(3) The term "base distribution amount," as used in this section with respect to any district with a functioning 911 system as of September 30, 2011, and except as otherwise

provided in this subdivision and subdivision (4), means the highest dollar amount per ~~annum~~year of emergency telephone service charges, excluding any fees received from the CMRS Fund, if any, received by the district during the five prior consecutive fiscal years ending on September 30, 2011; provided, that, if the district first levied any such service charge, or if the district by vote of the commissioners of the district, during the fiscal year ending on September 30, 2011, or seven months thereafter, increased the rate of the charge effective on or before January 1, 2013, then the total dollar amount of the emergency telephone service charges with respect to the fiscal year ending September 30, 2011, shall be ~~deemed to be~~ the amount that would have been collected had the increased rate been in effect for the entire fiscal year ending September 30, 2011. Any vote of the commissioners authorizing an increase in fees under the preceding sentence may be contingent upon the enactment of Act 2012-293. No adjustment shall be made under the preceding sentence to take into account any increase in an emergency service charge adopted by a district after January 1, 2012, if such district shall have otherwise increased its emergency service charge since January 1, 2011. For any district established prior to September 30, 2011, but which initiated 911 service between September 30, 2011, and June 1, 2012, the base distribution amount shall be ~~deemed to be~~ the amount that would have been collected if the 911 charge imposed by the district on August 1, 2012, had been in effect for the entire fiscal year. For any county or municipal district that was funding an E-911

system on September 30, 2011, without a separate 911 fee, the base distribution amount shall be the product of: That amount determined by the board to be the county or municipality's total funding of its E-911 system for purposes of calculation of the initial statewide rate under ~~subsection (a)~~ of Section 11-98-5(a), multiplied by a fraction, the numerator of which is the total wireline 911 fees paid to all districts as of September 30, 2011, and the denominator of which is the total wireline and wireless 911 fees determined by the board to have been paid to all districts and the CMRS Board for the same period. Within 90 days of the effective date of any adjustment in the statewide 911 charge to increase the baseline 911 revenues under ~~subdivision (2) of subsection (c) of~~ Section 11-98-5(c)(2), the base distribution amount shall be increased by an amount equal to the product of: a. the total amount distributed to the district in the immediately preceding fiscal year, multiplied by b. the rate of growth, determined as a percentage, in the CPI-U utilized by the 911 Board for the prior five-year period pursuant to ~~subdivision (2) of subsection (c) of~~ Section 11-98-5(c)(2).

(4)a. Any district that has, prior to March 1, 2011, entered into one or more contracts, including, without limitation, any lease, lease-purchase, or purchase agreement or contract, to acquire equipment utilized or to be utilized as part of a single, comprehensive, countywide radio system to be operated within the boundaries of the district, ~~may,~~ no later than December 31, 2012, may provide the 911 Board a copy of a pro forma financial statement setting forth revenue and

expense projections demonstrating the ability of the district to pay all principal and interest maturing or coming due with respect to any contracts, and any bonds or other obligations issued or incurred by the district to evidence the borrowing of money by the district in connection with the planning, acquisition, construction, and equipment of the countywide radio system, and other system costs. Such revenue projections shall set forth the district's annualized revenues that would be included in the base distribution amount as calculated in subdivision (3), for the fiscal year of the district ending on September 30, 2011, or any fiscal year thereafter during which the contracts, bonds, or other obligations are expected to be outstanding and unpaid, and the amount received by the district during the fiscal year ending September 30, 2011, from the CMRS Fund. The pro forma statement shall be accompanied by such supporting information as may be reasonably requested by the 911 Board, whose review shall be limited to the accuracy and reasonableness of the revenue and expense projections contained therein solely for the purposes of this subsection and which shall not extend to the approval or disapproval of any projects authorized by the district under existing law.

b. For a district meeting the requirements of this subdivision, the base distribution amount for the district, during any fiscal year or years in which the contracts, bonds, or other obligations outstanding and unpaid, shall be increased by the difference, if any, between the revenue projections shown in the pro forma financial statement and the

base distribution amount as calculated under subdivision (3), and the district's per capita distribution amount, as defined in subdivision (5), shall be reduced by an amount equal to the difference, with the amount of the reduction added to the amount available for payment to other districts under subdivision (5).

(5) The term "per capita distribution amount," as used in this section with respect to any district, means the district's pro rata share, computed according to the distribution formula, of the amount described in subdivision (1) that remains after payment in full of the aggregate base distribution amounts required to be paid to all districts.

(6) Notwithstanding the preceding provisions of this subsection, there shall never be paid to any district, during any fiscal year, from the ~~moneys~~ monies deposited into the 911 Fund, an amount less than the sum of the total dollar amount of the initial base distribution amount received by the district as calculated under subdivision (3) plus, without duplication, the amount received by the district from the CMRS Fund during the fiscal year ending September 30, 2011. For any county or municipal district that was funding an E-911 system on September 30, 2011, without a separate 911 fee, there shall never be paid from the ~~moneys~~ monies deposited into the 911 Fund, during any fiscal year, an amount less than the sum of that amount determined by the board to be the county or municipality's funding of its E-911 system for purposes of calculation of the initial statewide rate under this section.

(7)a. Except as otherwise provided in subdivision (6),

there shall be set aside and deposited each month, into a separate account, which may, but need not, form a part of the 911 Fund, an amount equal to ~~20 percent of the portion of~~the remaining balance of the statewide 911 charges remitted to the 911 Board with respect to the month ~~by CMRS providers~~. All ~~moneys~~ monies in the separate account shall be used ~~exclusively~~ for the costs related to administering a statewide 911 voice and data system in compliance with the technological requirements established by the FCC order and as provided in Section 11-98-4.1(e)(8); and for the payment of actual and direct costs incurred by CMRS providers in complying with wireless E-911 service requirements established by the FCC Order and complying with any rules or regulations adopted at any time by the FCC pursuant to the FCC Order; and the costs may include, without limitation, costs and expenses incurred in connection with designing, upgrading, purchasing, leasing, programming, installing, testing, or maintaining all necessary data, hardware, and software required in order to provide Phase II Enhanced 911, and the incremental costs of operating Phase II Enhanced 911.

b. After the requirements of paragraph a. are fulfilled, the remaining funds shall be allocated for one or more of the following purposes: (i) to fund the costs of all required training and certification of public safety telecommunicators; (ii) to fund the costs of advisory services provided to the districts; (iii) to fund a grant program for districts demonstrating financial hardship; or (iv) equally among the districts as determined by majority vote of the

board. The board, by rule, shall establish the maximum balance to be carried over in the separate account at the conclusion of each fiscal year.

(c) Each CMRS provider wishing to participate in the payments provided in subdivision (b)(7) ~~of subsection (b)~~ for expenses related to providing Phase II Enhanced 911 shall certify to the 911 Board that it does not then collect a cost-recovery or other similar separate charge from its customers. CMRS providers failing to provide the certification by October 1 are ineligible to receive any payments until such certificate is provided to the 911 Board. Any CMRS provider electing to collect cost-recovery or other similar separate charges at any time following its October 1 certification shall immediately notify the 911 Board and is ineligible to participate in the payments established in this subsection until ceasing the collection from its customers and providing the notice required herein. This requirement shall only apply to payments for expenses related to providing Phase II Enhanced 911.

(d) Any CMRS provider wishing to receive reimbursement of costs under the guidelines established by subsection (c) shall also comply with Section 11-98-7.

(e) In the event that there are wireless emergency telephone services that cannot be efficiently performed at the district level or there are expenses that cannot be properly allocated at the district level, the 911 Board may determine the smallest practical unit basis for joint implementation and provide reimbursements in accordance with this section."

Section 2. This act shall become effective on October 1, 2025.

Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 08-Apr-25.

John Treadwell
Clerk

Senate 06-May-25 Passed

APPROVED 5-14-2025

TIME 10:30 am

Kay Ivey
GOVERNOR

Alabama Secretary Of State

Act Num....: 2025-376
Bill Num...: H-263

Recv'd 05/14/25 12:57pmKCW

ORIGINAL
House Bill No. 263
Project No. 7DNPEZE-1
Prefile Date

SPONSOR		DIST. NO.
1	[signature]	81

CO-SPONSORS

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HOUSE ACTION

DATE: ~~[illegible]~~ 2-12 2025
RD 1 RFD WMGT

REPORT OF STANDING COMMITTEE
This bill having been referred by the House to its standing committee on WMG was acted upon by such committee in session, and returned therefrom to the House with the recommendation that it be Passed, w/amend(s)____ w/sub____ this 5th day of March, 2025.
[signature] 21, Chair

DATE: 3-5 2025
RF RD 2 CAL

DATE: 20__
RE-REFERRED ☐ RE-COMMITTED ☐
Committee____

DATE: 20__
RE-REFERRED ☐ RE-COMMITTED ☐
Committee____

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, HB 263.
YEAS 102 NAYS 0

JOHN TREADWELL,
Clerk

FURTHER HOUSE ACTION (OVER)

SENATE ACTION

FRED

DATE: 4-9 2025
RD 1 RFD FRED

This Bill was referred to the Standing Committee of the Senate on FRED and was acted upon by such Committee in session and is by order of the Committee returned therefrom with a favorable report w/amd(s) Ø w/sub Ø w/eng sub Ø by a vote of yeas 13 nays Ø abstain Ø this 16th day of April 2025
[signature], Chair

DATE: 4-17 2025
RF FAU RD2 ☑ CAL ☐

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, HB____.
YEAS____ NAYS____

PATRICK HARRIS,
Secretary

DATE: 5-6-25 RD 3 at length
PASSED ☑ PASSED AS AMENDED ☐
YEAS 24 NAYS 0
And was ordered returned forthwith to the House

PATRICK HARRIS,
Secretary

DATE: 20__
INDEFINITELY POSTPONED YEAS NAYS

DATE: 20__
RECONSIDERED YEAS NAYS

FURTHER SENATE ACTION (OVER)