
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 2.64 per cent shall be imposed on the
6 prepaid wireless service amount purchased. The prepaid wireless
7 E911 surcharge is the liability of the consumer and not of the
8 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



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

9 (d) A seller may deduct and retain three per cent of
10 prepaid wireless E911 surcharges collected from consumers for
11 administrative purposes.

12 (e) A seller shall remit monthly, quarterly, or
13 semiannually on a calendar year basis to the board the balance
14 of prepaid wireless E911 surcharges collected from consumers not
15 later than the twentieth day after the end of the filing period.
16 The frequency of filing depends on the amount of prepaid
17 surcharge fees paid during the year as follows:

18 (1) If the prepaid wireless service seller will collect
19 more than \$4,000 prepaid wireless surcharge fees per
20 year, the seller shall file monthly;



1 (2) If the prepaid wireless service seller will collect
2 \$4,000 or less per year, the seller may file
3 quarterly; or

4 (3) If the prepaid wireless service seller will collect
5 \$2,000 or less per year, the seller may file semi-
6 annually.

7 (f) The board may require sellers to remit electronically
8 the balance of the surcharges collected and shall establish
9 registration and payment procedures.

10 (g) The amount of the prepaid wireless E911 surcharge that
11 is collected by a seller from a consumer shall not be included
12 in the base for measuring any tax, fee, surcharge, or other
13 charge that is imposed by the State, any political subdivision
14 of the State, or any governmental agency.

15 (h) If a minimal amount of prepaid wireless
16 telecommunications service is sold with a prepaid wireless
17 device for a single non-itemized price, the seller shall not
18 apply the surcharge imposed in subsection (a) to the
19 transaction. For purposes of this subsection, a "minimal
20 amount" means service of ten minutes or less, or five dollars or
21 less.



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1 (i) The board shall establish procedures by which a seller
2 of prepaid wireless telecommunications service may document that
3 a sale is not a retail transaction.

4 (j) Section 138-9 shall apply to providers and sellers.

5 (k) No provider or seller shall be liable for damages to
6 any person resulting from, or incurred in connection with, the
7 provision of any lawful assistance to an investigative or law
8 enforcement officer of the United States or any of its political
9 subdivisions, in connection with any lawful investigation or
10 other law enforcement activity by the law enforcement officer.

11 (l) The prepaid wireless E911 surcharge imposed by this
12 section shall be the only funding obligation imposed on prepaid
13 wireless telecommunications service in the State for enhanced
14 911 services. No other tax, fee, surcharge, or other charge for
15 enhanced 911 services shall be imposed by the State, any
16 political subdivision of the State, or any governmental agency
17 upon any provider, seller, or consumer with respect to the sale,
18 purchase, use, or provision of prepaid wireless
19 telecommunications service."



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

4 "Consumer" means a person or entity who purchases
5 commercial mobile radio service or prepaid wireless
6 telecommunications service in a retail transaction.

7 "Prepaid wireless E911 surcharge" means the surcharge that
8 is required to be collected by a seller from a consumer in the
9 amount established under 138- .

10 "Prepaid wireless telecommunications service" means a
11 wireless telecommunications service that is sold in
12 predetermined (minutes usage or period of time) units or dollars
13 that decline with use in a known amount and allows a caller to
14 dial 911 to access the 911 system, a service that shall be paid
15 for in advance.

16 "Provider" means a person or entity that provides
17 commercial mobile radio service or prepaid wireless
18 telecommunications service pursuant to a license issued by the
19 Federal Communications Commission.

20 "Retail transaction" means the purchase of commercial
21 mobile radio service or prepaid wireless telecommunications



1 service from a seller for any purpose other than resale; means
2 sourced to Hawaii, including the seller's location, the
3 purchaser's delivery address, the purchaser's address associated
4 with the payment instrument, the consumer's mobile telephone
5 number, telephone area code, or postal zip code.

6 "Seller" means a person or entity who sells commercial
7 mobile radio service or prepaid wireless telecommunications
8 service to another person.

9 "Wireless telecommunications service" means commercial
10 mobile radio service, as that term is defined by title 47 Code
11 of Federal Regulations section 20.3."

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

14 "§138-3 **Enhanced 911 fund.** There is established outside
15 the state treasury a special fund, to be known as the enhanced
16 911 fund, to be administered by the board. The fund shall
17 consist of amounts collected under [~~section~~] sections 138-4[~~7~~]
18 and 138-_____. The board shall place the funds in an interest-
19 bearing account at any federally insured financial institution,
20 separate and apart from the general fund of the State. Moneys
21 in the fund shall be expended exclusively by the board for the



1 purposes of ensuring adequate funding to deploy and sustain
2 enhanced 911 service, developing and funding future enhanced 911
3 technologies, and funding expenses of administering the fund."

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

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

- 11 (1) Connections billed to federal, state, and county
- 12 governmental entities; and
- 13 [~~(2)~~ ~~Prepaid connections; and~~
- 14 ~~(3)~~ (2) Connections provided by the public utility
- 15 providing telecommunications services and land line
- 16 enhanced 911 services through section 269-16.95."

17 SECTION 5. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.



1 SECTION 6. This Act shall take effect on July 1, 2018.

2

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "J. M. ...", is written over a horizontal line.

By Request

JAN 19 2017



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Report Title:

Prepaid Wireless; Enhanced 911 Services

Description:

Establishes a prepaid wireless E911 surcharge at the point of sale. Allows sellers to deduct and retain for administrative purposes 3% of the surcharge that is collected. Requires the surcharge balance to be deposited in the enhanced 911 fund.

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

