



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5468 (Substitute S-1 as reported)
Sponsor: Representative Aric Nesbitt
House Committee: Energy and Technology
Senate Committee: Energy and Technology

CONTENT

The bill would amend the Emergency 9-1-1 Service Enabling Act to do the following:

- Require the 9-1-1 charge to be collected from prepaid wireless customers by retail sellers, rather than service suppliers.
- Set the charge at 1.92% per retail transaction.
- Allow sellers to retain 2% of the charge.
- Require the charge to be remitted in the same manner as required for the sales tax.
- Require the Department of Treasury to deposit the charges in the Emergency 9-1-1 Fund.
- Delay the Act's sunset from December, 31, 2014, until December 31, 2021.

The bill would take effect on January 1, 2013.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have a negligible fiscal impact on the level of future surcharge collections under the Emergency 9-1-1 Service Enabling Act. Amending the manner in which surcharges for 9-1-1 service are administered for prepaid cell phones should result in a very similar level of revenue compared to current collection methods, with the possibility that the added efficiency of the new method could result in a somewhat higher capture of funds.

Date Completed: 6-6-12

Fiscal Analyst: Bruce Baker