

STAND. COM. REP. NO.

**680**

Honolulu, Hawaii

**MAR 03 2017**

RE: S.B. No. 887  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 887, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENHANCED 911 SERVICES,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a prepaid wireless E911 surcharge of 1.5 per cent, to be imposed on prepaid wireless telecommunications services at the point of sale.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, Hawaii Police Department, Kauai Police Department, Maui Police Department, CTIA, Verizon, and one individual. Hawaii Association for Justice and Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that this measure will ensure parity between consumers of postpaid and prepaid wireless telecommunications services. Up to an estimated ten to twenty per cent of wireless telecommunications use is by consumers with prepaid wireless phones. Users of prepaid wireless telecommunications services benefit from being able to use enhanced 911 features, yet are exempt from the \$0.66 monthly per-line surcharge that is currently imposed on consumers of postpaid wireless telecommunications services via their monthly bill. As a result, postpaid consumers in effect subsidize prepaid consumers' share of the costs for the enhanced 911 system. This measure aims



to eliminate this inequity and generate additional revenue that can be used to maintain and upgrade the enhanced 911 system.

Your Committee has amended this measure by:

- (1) Clarifying that sellers of prepaid wireless telecommunications services may deduct and retain three per cent of the prepaid wireless E911 surcharges they collect, for the purpose of offsetting administrative expenses associated with collecting the surcharge from consumers;
- (2) Clarifying that sellers shall remit the balance of surcharges collected to the Enhanced 911 fund and not the Enhanced 911 Board;
- (3) Clarifying that the frequency of remittance of surcharges by a seller is based on the dollar amount of surcharges the seller expects to collect during the year, as opposed to the actual amount of surcharges the seller will collect during the year;
- (4) Replacing, with regard to collected surcharges, references to "file" and "filing" with "remit" and "remittance"; and
- (5) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 887, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 887, S.D. 2.

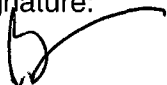
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 887, SD1	PSM/LPH, WAM	2/24/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
DELA CRUZ, Donovan M. (VC)				✓
ENGLISH, J. Kalani				✓
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
KAHELE, Kaiali'i				✓
RIVIERE, Gil	✓			
SHIMABUKURO, Maile S.L.	✓			
TANIGUCHI, Brian T.	✓			
WAKAI, Glenn	✓			
<b>TOTAL</b>	<b>8</b>			<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> <span style="margin-left: 40px;">Original</span> <span style="margin-left: 100px;">Yellow</span> <span style="margin-left: 100px;">Pink</span> <span style="margin-left: 100px;">Goldenrod</span> <span style="margin-left: 40px;">File with Committee Report</span> <span style="margin-left: 100px;">Clerk's Office</span> <span style="margin-left: 100px;">Drafting Agency</span> <span style="margin-left: 100px;">Committee File Copy</span>				

\*Only one measure per Record of Votes