

Honolulu, Hawaii

APR 07 2017

RE: H.B. No. 206
H.D. 2
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 H.B. No. 206, H.D. 2, 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 provide funding for wireless enhanced 911 services.

More specifically, the measure:

- (1) Establishes a 1.5 per cent prepaid wireless E911 surcharge at the point of sale of wireless telecommunications services;
- (2) Allows sellers of prepaid wireless telecommunications services to deduct and retain three per cent of all surcharges collected from consumers to offset administrative expenses associated with collecting the surcharge; and
- (3) Requires sellers of prepaid wireless telecommunications services to remit the surcharge balance to the enhanced 911 fund on a specified periodic basis.



Your Committee received written comments in support of this measure from the Department of Accounting and General Services.

Your Committee received written comments in opposition to this measure from JointWireless and Keitai Hawaii LLC.

Your Committee received written comments on this measure from the Enhanced 911 Board of the Department of Accounting and General Services and the Tax Foundation of Hawaii.

Your Committee finds that this measure will create parity between postpaid and prepaid cellular telephone service customers. Although prepaid cellular telephone service customers benefit from the use of enhanced 911 features, they are currently exempt from the 66 cents per month per line surcharge that is paid by postpaid cellular telephone customers, who comprise eighty to ninety per cent of the cellular telephone user market. This means that cellular telephone users who pay the monthly surcharge after receiving their cellular telephone services are effectively subsidizing the prepaid cellular telephone customers' portion of the cost for the acquisition, implementation, and maintenance of hardware and software that provide enhanced 911 functionality.

Your Committee notes that this measure contains liability immunity provisions pertaining to cooperation with law enforcement officers, which are based on National Conference of State Legislatures model legislation. Those provisions are unrelated to the purpose of the bill, which is to impose the enhanced 911 surcharge on prepaid wireless telecommunications services. Your Committee respectfully requests that a Conference Committee that may consider this measure consider how the liability immunity provisions may impact the State and whether the provisions should remain in the measure.

Your Committee further notes that the intent of this measure is not to impose the enhanced 911 surcharge on prepaid calling cards intended to pay for long distance charges.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and



- (2) 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 H.B. No. 206, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 206, H.D. 2, S.D. 2.

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

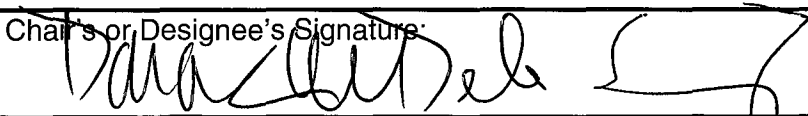


JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 206, HD2, SD1	Committee Referral: CPH, WAM	Date: 3/31/17		
<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	/			
TOTAL	10			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes