Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 24-0947.01 Megan McCall x4215

SENATE BILL 24-139

SENATE SPONSORSHIP

Gonzales,

HOUSE SPONSORSHIP

(None),

Senate Committees

House Committees

Finance

101

A BILL FOR AN ACT

CONCERNING THE CREATION OF THE 911 SERVICES ENTERPRISE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill creates the 911 services enterprise in the department of regulatory agencies (enterprise). The enterprise is authorized to impose a fee on service users (fee). A service user is a person who is provided a 911 access connection in the state. The fee is set annually by the enterprise and, together with the 911 surcharge that the public utilities commission (commission) imposes on service users for the benefit of meeting the needs of governing bodies to pay for basic emergency service and provide emergency telephone service (911 surcharge), must not

exceed \$0.50 per month per 911 access connection. The fee is collected in the same manner as the 911 surcharge. Revenue from the fee will fund expenses and costs related to the provision of 911 services, including:

- Statewide training initiatives and programs and public education campaigns;
- Cybersecurity support;
- GIS programs;
- Grant programs for the benefit of governing bodies and public safety answering points;
- Providing matching funds for federal, state, or private grants related to 911 services or emergency notification services;
- Any other items related to a statewide benefit for governing bodies and public safety answering points for 911 services; and
- Administrative expenses of the enterprise.

The bill also creates the 911 services enterprise cash fund, adds a requirement for the commission to include in its "state of 911" annual report the activity of the enterprise including its use of its revenue, and makes several technical updates to the statutes concerning the 911 surcharge and the commission's "state of 911" report.

- 1 Be it enacted by the General Assembly of the State of Colorado:
- 2 SECTION 1. In Colorado Revised Statutes, 29-11-101, add (3.5),
- 3 (10.5), (14.5), and (14.7) as follows:
- 4 **29-11-101. Definitions.** As used in this part 1, unless the context
- 5 otherwise requires:
- 6 (3.5) "911 ENTERPRISE FEE" MEANS THE FEE IMPOSED BY THE 911
- 7 SERVICES ENTERPRISE PURSUANT TO SECTION 29-11-108 (5)(a) AND (7).
- 8 (10.5) "DEPARTMENT" MEANS THE DEPARTMENT OF REGULATORY
- 9 AGENCIES CREATED IN SECTION 24-34-101(1)(a).
- 10 (14.5) "Enterprise" means the 911 services enterprise
- 11 CREATED IN SECTION 29-11-108 (2).
- 12 (14.7) "ENTERPRISE FUND" MEANS THE 911 SERVICES ENTERPRISE
- 13 CASH FUND CREATED IN SECTION 29-11-108 (9).

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1	SECTION 2. In Colorado Revised Statutes, 29-11-102.3, amend
2	(1)(a), (1)(b), (3)(b), (3)(c)(I), and (3)(c)(III) as follows:
3	29-11-102.3. 911 surcharge - imposition - 911 surcharge trust
4	cash fund - rules - report - definition. (1) (a) Effective January 1, 2021,
5	a 911 surcharge, referred to in this section as the "surcharge", is hereby
6	imposed on service users in an amount to be established annually by the
7	commission but not to exceed fifty cents per month per 911 access
8	connection Together with the 911 enterprise fee imposed pursuant
9	TO SECTION 29-11-108 (7)(a).
10	(b) On or before October 1, 2020, and on or before October 1 each
11	year thereafter, the commission shall establish, THROUGH A PUBLIC
12	PROCEEDING, the amount of the surcharge for the next calendar year. The
13	amount of the surcharge must be reasonably calculated to meet the needs
14	of governing bodies to operate the 911 system PAY FOR BASIC EMERGENCY
15	SERVICE AND PROVIDE EMERGENCY TELEPHONE SERVICE AND MUST TAKE
16	INTO CONSIDERATION THE AMOUNT OF THE $911\mathrm{ENTERPRISE}$ FEE IMPOSED
17	PURSUANT TO SECTION 29-11-108 (7)(a) AND THE BUDGETARY
18	REQUIREMENTS SET FORTH IN THIS SECTION. Upon establishing the amount
19	of the surcharge, the commission shall send notice of the new amount to
20	all service suppliers. The new amount takes effect on the following
21	January 1.
22	(3) (b) A service supplier may deduct and retain one percent of the
23	surcharges that are collected by the service supplier IT COLLECTS from its
24	service users IF IT TIMELY REMITS THE COLLECTED SURCHARGES TO THE
25	COMMISSION.
26	(c) (I) (A) Remittances of surcharges received by the commission
27	are collections for the local governing body, not general revenues of the

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state, and shall be held in trust in the 911 surcharge trust cash fund, which is hereby created. Except as provided in subsection (3)(c)(II) of this section, the commission shall transmit the money in the 911 SURCHARGE TRUST CASH fund to each governing body within sixty days after the commission receives the money for use by such governing body for the purposes permitted under section 29-11-104.

- (B) Remittances of the 911 enterprise fee received by the commission are collections for the enterprise, not general revenue of the state, and must be held in trust in the 911 enterprise fee trust cash fund, which is created in the state treasury. The commission shall transmit the money in the 911 enterprise fee trust cash fund to the state treasurer within sixty days after the commission receives the money, and the state treasurer shall credit the revenue to the enterprise fund.
- (III) The commission shall establish a formula for distribution of money from the surcharge to the governing bodies PURSUANT TO SUBSECTION (3)(c)(I)(A) OF THIS SECTION based upon the number of concurrent sessions maintained by the PSAPs of each governing body. The commission shall establish the formula by October 1 of each year. The commission shall promulgate rules concerning changes to the number of concurrent sessions for which a governing body is reimbursed under this section. For the purposes of this section, "concurrent session" means a channel for an inbound simultaneous 911 request for assistance.
- SECTION 3. In Colorado Revised Statutes, add 29-11-108 as follows:
 - 29-11-108. 911 services enterprise creation powers and duties cash fund legislative declaration. (1) THE GENERAL

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ASSEMBLY FINDS AND DECLARES THAT:

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2	(a) The 911 services enterprise provides valuable
3	STATEWIDE BENEFITS AND SERVICES TO TELEPHONE SERVICE USERS BY
4	FUNDING EXPENSES AND COSTS RELATED TO PROVIDING EMERGENCY
5	TELEPHONE SERVICE AND PROVIDING TRAINING, EDUCATION, AND OTHER
6	TYPES OF SUPPORT TO PSAPS, INCLUDING PROVISION OF 911 SERVICES
7	AND EMERGENCY NOTIFICATION SERVICES ON A STATEWIDE BASIS;

- (b) By providing the benefits and services specified in SUBSECTION (1)(a) OF THIS SECTION, THE 911 SERVICES ENTERPRISE ENGAGES IN AN ACTIVITY CONDUCTED IN THE PURSUIT OF A BENEFIT, GAIN, OR LIVELIHOOD, AND THEREFORE OPERATES AS A BUSINESS;
- 12 (c) Consistent with the determination of the Colorado 13 SUPREME COURT IN NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY, 896 14 P.2d 859 (Colo. 1995), That the power to impose taxes is 15 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE 16 X OF THE STATE CONSTITUTION, IT IS THE CONCLUSION OF THE GENERAL 17 ASSEMBLY THAT THE CHARGES IMPOSED BY THE ENTERPRISE IS A FEE, NOT 18 A TAX, BECAUSE THE CHARGES ARE IMPOSED FOR THE SPECIFIC PURPOSE 19 OF ALLOWING THE ENTERPRISE TO DEFRAY THE COSTS OF PROVIDING THE 20 BENEFITS AND SERVICES SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION 21 TO TELEPHONE SERVICE USERS AND THE CHARGES ARE IMPOSED AT RATES 22 THAT ARE REASONABLY CALCULATED BASED ON THE COST OF THE 23 SERVICES RECEIVED BY TELEPHONE SERVICE USERS;
 - (d) SO LONG AS THE 911 SERVICES ENTERPRISE QUALIFIES AS AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE REVENUE FROM THE CHARGES IMPOSED BY THE ENTERPRISE IS NOT STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION

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1 24-77-102 (17), or state revenues, as defined in section 24-77-103.6 2 (6)(c), AND DOES NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR 3 SPENDING LIMIT IMPOSED BY SECTION 20 ARTICLE X OF THE STATE 4 CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN 5 SECTION 24-77-103.6 (6)(b)(I); AND 6 (e) NO OTHER ENTERPRISE CREATED SIMULTANEOUSLY OR WITHIN 7 THE PRECEDING FIVE YEARS SERVES PRIMARILY THE SAME PURPOSE AS THE 8 911 SERVICES ENTERPRISE, AND THE 911 SERVICES ENTERPRISE WILL 9 GENERATE REVENUE FROM CHARGES OF LESS THAN ONE HUNDRED MILLION 10 DOLLARS TOTAL IN ITS FIRST FIVE FISCAL YEARS. ACCORDINGLY, THE 11 CREATION OF THE 911 SERVICES ENTERPRISE DOES NOT REQUIRE VOTER 12 APPROVAL PURSUANT TO SECTION 24-77-108. 13 (2) (a) The 911 services enterprise is created in the 14 DEPARTMENT. THE ENTERPRISE IS AND OPERATES AS A 15 GOVERNMENT-OWNED BUSINESS WITHIN THE DEPARTMENT IN ORDER TO 16 EXECUTE ITS BUSINESS PURPOSES SPECIFIED IN SUBSECTION (5) OF THIS SECTION BY EXERCISING THE POWERS AND PERFORMING THE DUTIES AND 17 18 FUNCTIONS SET FORTH IN THIS SECTION. 19 (b) THE ENTERPRISE IS A **TYPE 1** ENTITY, AS DEFINED IN SECTION 20 24-1-105, AND EXERCISES ITS POWERS AND PERFORMS ITS DUTIES AND 21 FUNCTIONS UNDER THE DEPARTMENT. 22 (3) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES 23 OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT 24 RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS 25 THAN TEN PERCENT OF ITS TOTAL REVENUE IN GRANTS FROM ALL 26 COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT

CONSTITUTES AN ENTERPRISE PURSUANT TO THIS SUBSECTION (3), THE

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1	ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE
2	CONSTITUTION.
3	(4) The enterprise is governed by a board of directors
4	APPOINTED BY THE GOVERNOR AND MUST HAVE AN ODD NUMBER OF
5	TOTAL MEMBERS. THE MEMBERS OF THE BOARD CONSIST OF A
6	REPRESENTATIVE OF THE TELECOMMUNICATIONS INDUSTRY AND AN
7	EQUAL NUMBER OF REPRESENTATIVES OF GOVERNING BODIES SERVING
8	JURISDICTIONS WITH POPULATIONS LESS THAN TWO HUNDRED THOUSAND
9	PEOPLE AND GOVERNING BODIES SERVING JURISDICTIONS WITH
10	POPULATIONS GREATER THAN TWO HUNDRED THOUSAND PEOPLE. THE
11	MAJORITY OF THE BOARD MUST BE REPRESENTATIVES OF GOVERNING
12	BODIES.
13	(5) THE ENTERPRISE'S PRIMARY POWERS AND DUTIES ARE TO:
14	(a) Impose a 911 enterprise fee on service users in
15	ACCORDANCE WITH SUBSECTION (7) OF THIS SECTION;
16	(b) FUND EXPENSES AND COSTS RELATED TO PURPOSES THAT MAY
17	INCLUDE:
18	(I) STATEWIDE TRAINING INITIATIVES AND PROGRAMS FOR PSAP
19	PERSONNEL IN EMERGENCY CALL PROCESSING, EMERGENCY DISPATCH,
20	EMERGENCY NOTIFICATION, PSAP ADMINISTRATION, AND OTHER
21	SUBJECTS INTENDED TO IMPROVE EMERGENCY TELEPHONE SERVICE AND
22	EMERGENCY NOTIFICATION SERVICE IN THE STATE, INCLUDING:
23	(A) Training regarding the integration of 988 and 911
24	SERVICES, DE-ESCALATION TECHNIQUES, AND BEHAVIORAL HEALTH
25	EMERGENCIES;
26	(B) DEVELOPMENT OF TRAINING FOR SUPPORTING 911 CALLERS
27	WITH DISABILITIES; AND

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1	(C) OTHER 911 RELATED TRAINING;
2	(II) PUBLIC EDUCATION CAMPAIGNS AND TRAINING PROGRAMS AND
3	MATERIALS RELATED TO PROPER AND APPROPRIATE USE OF 911 SERVICES
4	AND EMERGENCY NOTIFICATION SYSTEMS, INCLUDING TRAINING FOR
5	PEOPLE WITH ACCESSIBILITY CHALLENGES IN ACCESSING AND
6	INTERACTING WITH PSAPs;
7	(III) CYBERSECURITY SUPPORT FOR SERVICES AND SOFTWARE,
8	INCLUDING FOR EMERGENCY TELEPHONE SERVICES, EMERGENCY
9	NOTIFICATION SERVICES, AND PSAP SYSTEMS;
10	(IV) GIS PROGRAMS FOR THE BENEFIT OF GOVERNING BODIES AND
11	PSAPs;
12	$(V) \ Grant programs \ that \ the \ enterprise \ may \ establish \ for$
13	THE BENEFIT OF GOVERNING BODIES AND PSAPS, WHICH MAY BE LIMITED
14	TO REASONABLY-DEFINED CLASSES OF GOVERNING BODIES OR PSAPS ON
15	THE BASIS OF FINANCIAL NEED AND MAY HAVE A MATCHING MONEY
16	REQUIREMENT FOR RECEIPT;
17	(VI) Providing matching money for federal, state, or
18	PRIVATE GRANTS RELATED TO BASIC EMERGENCY SERVICE, EMERGENCY
19	TELEPHONE SERVICE, OR EMERGENCY NOTIFICATION SERVICES, SO LONG
20	AS ALL EXPENSES TO BE PAID UNDER SUCH GRANTS ARE ALLOWABLE
21	PURSUANT TO SECTION 29-11-104 AND 9 CFR 47, SUBPART I, AS
22	AMENDED;
23	(VII) ANY OTHER ITEMS OF BENEFIT FOR GOVERNING BODIES AND
24	PSAPs as proposed by a group of those entities or by statewide
25	ASSOCIATIONS REPRESENTING COLORADO 911 STAKEHOLDERS, PROVIDED
26	SUCH EXPENSES ARE ALLOWABLE PURSUANT TO SECTION 29-11-104 AND
27	9 CFR 47, SUBPART I, AS FROM TIME TO TIME AMENDED; AND

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1	(VIII) ANY OTHER EXPENSES NECESSARY FOR THE
2	ADMINISTRATION OF THE ENTERPRISE AND THE EXECUTION OF ITS
3	ACTIVITIES, INCLUDING COSTS FOR SUPPORT PERSONNEL;
4	(c) ENTER INTO ANY CONTRACTS NECESSARY FOR PROFESSIONAL
5	AND TECHNICAL ASSISTANCE OR ADVICE AND TO SUPPLY OTHER SERVICES
6	RELATED TO THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE WITHOUT
7	BEING SUBJECT TO THE REQUIREMENTS OF THE "PROCUREMENT CODE",
8	ARTICLES 101 THROUGH 112 OF TITLE 24;
9	(d) By resolution, authorize and issue revenue bonds that
10	ARE PAYABLE ONLY FROM THE FUND; AND
11	(e) ADOPT, AMEND, OR REPEAL POLICIES FOR THE REGULATION OF
12	ITS AFFAIRS AND THE CONDUCT OF ITS BUSINESS CONSISTENT WITH THIS
13	SECTION.
14	(6) (a) IN ADDITION TO THE POWERS AND DUTIES SET FORTH IN
15	SUBSECTION (5) OF THIS SECTION, THE ENTERPRISE SHALL USE REVENUE OF
16	THE ENTERPRISE GENERATED FROM SOURCES OTHER THAN THE 911
17	ENTERPRISE FEE TO SUPPORT EMERGENCY TELEPHONE SERVICES AND
18	EMERGENCY NOTIFICATION SERVICES IN THE STATE CONSISTENT WITH THE
19	PROVISIONS OF THIS SECTION, INCLUDING FUNDING FOR:
20	(I) PSAP FACILITIES, SERVICES, SYSTEMS, OPERATIONS,
21	PERSONNEL, TRAINING, MAINTENANCE, REPORTING, COMMUNICATIONS,
22	AND CALL PROCESSING AND RECORDING SYSTEMS; AND
23	(II) OTHER EXPENSES OF PROCESSING AND DISPATCHING CALLS FOR
24	ASSISTANCE FROM THE POINT A CALL FOR ASSISTANCE REACHES A PUBLIC
25	OR COMMERCIAL NETWORK OR SERVICE TO THE POINT THAT THE REQUEST
26	FOR ASSISTANCE AND RELATED INFORMATION IS COMMUNICATED TO FIRST
27	RESPONDERS, MENTAL HEALTH PROFESSIONALS OR PARAPROFESSIONALS,

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OR CIVILIAN VOLUNTEERS FOR RESPONSE TO THE REPORTED INCIDENT OR CIRCUMSTANCE, OR IS DELIVERED OR COMMUNICATED TO OTHER PSAPS FOR PROCESSING OR DISPATCH.

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- (b) The funding that the enterprise may provide for the purposes set forth in subsection (6)(a) of this section is not subject to the restrictions of section 29-11-104 or 9 CFR 47, subpart I, as amended, applicable to use of proceeds of 911 fees collected from users of telephone or other services.
- 9 (7) (a) IN FURTHERANCE OF ITS BUSINESS PURPOSE AND PURSUANT 10 TO THE AUTHORITY SET FORTH IN SUBSECTION (5)(a) OF THIS SECTION, THE 11 ENTERPRISE SHALL IMPOSE THE 911 SURCHARGE FEE IN AN AMOUNT TO BE 12 ESTABLISHED ANNUALLY BY THE ENTERPRISE AFTER CONSULTING WITH 13 THE COMMISSION. THE AMOUNT SHALL NOT EXCEED, TOGETHER WITH THE 14 911 SURCHARGE IMPOSED BY THE COMMISSION, THE LIMITATION OF FIFTY 15 CENTS PER MONTH PER 911 ACCESS CONNECTION SET FORTH IN SECTION 16 29-11-102.3 (1)(a). The enterprise shall establish the 911 17 ENTERPRISE FEE BEFORE THE COMMISSION ESTABLISHES ITS SURCHARGE 18 PURSUANT TO SECTION 29-11-102.3 (1)(b). THE AMOUNT OF THE 911 19 ENTERPRISE FEE MUST BE REASONABLY CALCULATED BASED ON THE COST OF THE SERVICES PROVIDED BY THE ENTERPRISE AND RECEIVED BY 20 21 TELEPHONE SERVICE USERS, AND THE AMOUNT IMPOSED PER 911 ACCESS 22 CONNECTION MUST BE UNIFORM, REGARDLESS OF THE TECHNOLOGY USED 23 TO PROVIDE THE CONNECTION.
 - (b) For the purpose of minimizing compliance costs for service users and administrative costs for the state, the commission shall collect the 911 enterprise fee on behalf of the enterprise and a service supplier shall collect the 911

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1	ENTERPRISE FEE FROM ITS SERVICE USERS AND REMIT IT TO THE
2	COMMISSION IN THE SAME MANNER IT COLLECTS AND REMITS THE
3	COMMISSION'S SURCHARGE PURSUANT TO SECTION 29-11-102.3.
4	(c) THE COMMISSION SHALL TRANSMIT ANY FEES IT COLLECTS ON
5	BEHALF OF THE ENTERPRISE IN ACCORDANCE WITH SECTION 29-11-102.3
6	(3)(c)(I)(B).
7	(8) THE ENTERPRISE SHALL IMPLEMENT APPROPRIATE FINANCIAL
8	CONTROLS AND SHALL MAINTAIN A SEPARATE LEDGER ACCOUNT FOR EACH
9	PROGRAM, PROJECT, INITIATIVE, GRANT, OR OTHER SIGNIFICANT
10	CATEGORY OF ADMINISTRATIVE EXPENSES AND SOURCE OF REVENUE.
11	(9) (a) The 911 services enterprise cash fund is created in
12	THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE
13	FUND IN ACCORDANCE WITH THIS SECTION.
14	(b) The state treasurer shall credit all interest and
15	INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
16	FUND TO THE FUND.
17	(c) Money in the fund is continuously appropriated. The
18	ENTERPRISE MAY EXPEND MONEY FROM THE FUND FOR THE PURPOSES
19	OUTLINED IN SUBSECTION (5) OF THIS SECTION.
20	(d) THE BOARD MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,
21	OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF
22	THIS SECTION, SO LONG AS THE COMBINATION OF GRANTS FROM STATE AND
23	LOCAL GOVERNMENTS IS LESS THAN TEN PERCENT OF THE ENTERPRISE'S
24	TOTAL ANNUAL REVENUE.
25	(e) THE FUND IS SUBJECT TO ALL STATE FISCAL AND ACCOUNTING
26	RULES.
27	SECTION 4 In Colorado Revised Statutes 40-2-131 amend

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1	(1)(f) and (1)(g); and add (1)(h) as follows:
2	40-2-131. State of 911 report. (1) Notwithstanding section
3	24-1-136 (11)(a)(I), on or before September 15, 2018, and on or before
4	September 15 of each year thereafter, the commission shall publish a
5	"state of 911" report and submit the report to the members of the general
6	assembly. The report must provide an overall understanding of the state
7	of 911 service in Colorado and must address, at a minimum, the
8	following:
9	(f) The state's planning for, transition to, and implementation of
10	next generation 911 AND OTHER OR FUTURE STANDARDS-BASED
11	IMPROVEMENTS TO 911, including a projected timeline for full statewide
12	implementation; and
13	(g) A discussion of 911 funding and fiscal outlook, including
14	current funding sources and whether they are adequate for 911 service in
15	the state, and potential funding mechanisms for the transition to and
16	implementation of next generation 911 AND OTHER OR FUTURE
17	STANDARDS-BASED IMPROVEMENTS TO 911; AND
18	(h) The activity of the 911 services enterprise created in
19	SECTION 29-11-108, INCLUDING USE OF THE REVENUE OF THE 911
20	SERVICES ENTERPRISE.
21	SECTION 5. Act subject to petition - effective date. This act
22	takes effect at 12:01 a.m. on the day following the expiration of the
23	ninety-day period after final adjournment of the general assembly; except
24	that, if a referendum petition is filed pursuant to section 1 (3) of article V
25	of the state constitution against this act or an item, section, or part of this
26	act within such period, then the act, item, section, or part will not take

effect unless approved by the people at the general election to be held in

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- November 2024 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.

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