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State of New Hampshire

DEPARTMENT OF SAFETY
OFFICE OF THE COMMISSIONER
33 HAZEN DR. CONCORD, NH 03305
603/271-2791

JOHN J. BARTHELMES
COMMISSIONER

October 25, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

[Signature]
Approved by Fiscal Committee Date

Requested Action

1. Pursuant to RSA 106-H:9-I(e), authorize the Department of Safety, Division of Emergency Services and Communications, to budget and expend \$153,985.00 from the Prior Year Carry Forward Balance of the enhanced E-911 System Fund as shown in the tables below. Effective upon Fiscal Committee approval through June 30, 2017. Funding: 100% Agency Income.
2. Pursuant to RSA 124:15, authorize the Department of Safety, Division of Emergency Services and Communications, to create one (1) temporary Agency Staff Auditor (LG 22, A000) position. This position will audit for accuracy of reporting and submission of prepaid surcharge fees. Effective upon Fiscal Committee and Governor and Council approvals through June 30, 2017. Funding source: 100% Agency Income.

The funds are to be budgeted as follows:

02-23-23-236510-13950000 Dept. of Safety – Emergency Communications – Bur of Emergency Communications

Class	Description	SFY 2017 Adjusted Authorized	Requested Action	Revised SFY 2017 Adjusted Authorized
009-402255	Agency Income	(\$10,909,468.00)	(\$153,985.00)	(\$11,063,453.00)
010-500100	Personal Service - Perm Class	5,640,057.00	0.00	5,640,057.00
011-500126	Personal Service - Unclassified	114,817.00	0.00	114,817.00
018-500106	Overtime	105,000.00	35,000.00	140,000.00
019-500105	Holiday Pay	120,000.00	0.00	120,000.00
020-500200	Current Expenses	207,169.00	0.00	207,169.00
022-500255	Rent- Leases Other Than State	42,366.00	0.00	42,366.00
023-500268	Heat Electricity Water	70,018.00	0.00	70,018.00
024-500230	Maint Other Than Build-Ground	47,600.00	0.00	47,600.00
026-500251	Organizational Dues	1,500.00	0.00	1,500.00
028-500292	Transfer to General Service	101,145.00	0.00	101,145.00
030-500311	Equipment	121,739.00	0.00	121,739.00

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037-500165	Technology-Hardware	48,000.00	0.00	48,000.00
038-500175	Technology-Software	6,400.00	0.00	6,400.00
039-500188	Telecommunications	480,500.00	0.00	480,500.00
044-500400	Debt Service	0.00	50,000.00	50,000.00
046-500464	Consultants	14,000.00	0.00	14,000.00
047-500240	Own Forces Maint Build-Grnd	7,482.00	0.00	7,482.00
050-500109	Personal Service - Temp	165,589.00	0.00	165,589.00
057-500531	Books Periodicals Subscript	4,500.00	0.00	4,500.00
059-500117	Temp Full Time	79,922.00	43,505.00	123,427.00
060-500601	Benefits	3,341,684.00	25,480.00	3,367,164.00
064-500540	Pension Benefits Health Ins	83,000.00	0.00	83,000.00
066-500543	Employee Training	15,000.00	0.00	15,000.00
070-500705	In State Travel Reimbursement	48,430.00	0.00	48,430.00
080-500710	Out Of State Travel Reimb	15,050.00	0.00	15,050.00
103-502664	Contracts for Op Services	25,000.00	0.00	25,000.00
230-500765	Interpreter Services	3,500.00	0.00	3,500.00
Totals		\$10,909,468.00	\$153,985.00	\$11,063,453.00

Explanation

The Division of Emergency Services and Communications is requesting the budgeting of funds into the Bureau of Emergency Communications accounting unit in the amount of \$153,985.00 for SFY 2017 from the Prior Year Carry Forward Balance, which is a non-lapsing fund established by RSA 106-H:9. The necessity for these funds is to hire an Agency Staff Auditor to audit for accuracy of reporting and submission of prepaid surcharge fees. The budgeting of funds is also for additional overtime to cover costs associated with E911 Next Generation (NextGen) implementation currently underway, as well as appropriations for payment of debt service upon the completion of the E911 NextGen project. Due to the rapidly evolving technological advances in the way that requests to 9-1-1 are emerging such as texts, pictures, video, and data, the new 9-1-1 network (NextGen project), which is nearing completion, is designed to accommodate these new transmittal methods.

The following information is provided in accordance with the comptroller's instructional memorandum dated September 12, 1981.

- 1) *List of personnel involved:* Agency Staff Auditor (LG 22, A000).
- 2) *Nature, Need, and Duration:* This position is needed in order to audit for accuracy of reporting and submission of prepaid surcharge fees until June 30, 2017. A request for a conversion position has been included in the currently developed budget for SFY 2018-2019.
- 3) *Relationship to existing agency programs:* Effective January 1, 2016, the Division of Emergency Services and Communications began collecting on prepaid surcharge fees. There is an audit component included in the Administrative Rules (Saf-C 4002.04 through Saf-C 7007.14) that necessitates this position.
- 4) *Has a similar program been requested of the legislature and denied?* No.
- 5) *Why wasn't funding included in the agency's budget request?* At the time of budgeting, this aspect of the prepaid surcharge collection was not yet developed.

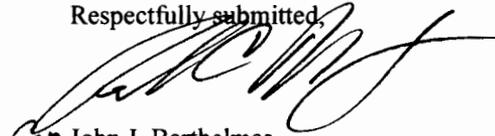
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6) *Can portions of the grant funds be utilized?* No.

7) *Estimate the funds required to continue this position:* Salary and benefits in SFY 2018 are estimated to be \$69,138.00 and in SFY 2019 are estimated to be \$72,565.00.

Respectfully submitted,



for John J. Barthelmes
Commissioner of Safety

**Fiscal Situation
E-911 System Fund**

SFY 2017 Prior Year Control Balance Forward Amount	\$ 2,374,441.00
SFY 2017 Estimated Revenue	<u>13,735,000.00</u>
Total Projected Revenue and Carryforward Balance	\$ 16,109,441.00
SFY 2017 Appropriations including Prior Year Encumbrances:	
Accounting Unit 1395 - Emergency Communications	\$10,909,468.00
Accounting Unit 1393 - Public Relations	8,900.00
Accounting Unit 1396 - Network	1,411,500.00
Accounting Unit 3323 - Poison Control	12,500.00
Accounting Unit 3328 - NH Vieww	82,834.00
Accounting Unit 4001 - Communications Section	1,847,186.00
Accounting Unit 4004 - Indirect Cost (E911 Funded Portion)	155,000.00
Accounting Unit 4966 - BTOP/Broadband Communication	31,225.00
Accounting Unit 8003 - Workers Comp	24,000.00
Accounting Unit 8592 - Unemployment Comp	17,500.00
Internal Indirect Costs	<u>367,614.00</u>
Total SFY 2017 Appropriations	<u>\$ 14,867,727.00</u>
Less: Adjustment for SFY2017 Estimated Lapse	<u>(1,486,773.00)</u>
Net SFY 2017 Appropriation	\$ 13,380,954.00
Net Projected Available Balance	2,728,487.00
Amount of this Request	<u><u>\$ 153,985.00</u></u>

TITLE VII

SHERIFFS, CONSTABLES, AND POLICE OFFICERS

CHAPTER 106-H

ENHANCED 911 SYSTEM

Section 106-H:9

106-H:9 Funding; Fund Established. –

I. (a) The enhanced 911 system and the statewide emergency notification system shall be funded through a surcharge to be levied upon each residence and business telephone exchange line, including PBX trunks and Centrex lines, each individual commercial mobile radio service number and each VoIP service number with a place of primary use within New Hampshire, and each semi-public and public coin and public access line. For purposes of this subparagraph, "place of primary use" shall have the same meaning as the definition contained in 4 U.S.C. section 124(8). No such surcharge shall be imposed upon more than 25 business telephone exchange lines, including PBX trunks and Centrex lines, or more than 25 commercial mobile radio service exchange lines or VoIP service lines or channels per customer billing account.

(b) In the case of local exchange telephone companies, the surcharge shall be contained within tariffs or rate schedules filed with the public utilities commission and shall be billed on a monthly basis by each local exchange telephone company.

(c) In the case of an entity which provides commercial mobile radio service the surcharge shall be billed to each customer on a monthly basis and shall not be subject to any state or local tax; the surcharge shall be collected by the commercial mobile radio service provider, and may be identified on the customer's bill. For prepaid commercial mobile radio service, the provisions of paragraph I-a shall apply.

(d) In the case of a VoIP provider, the surcharge shall be billed to each customer on a monthly basis and shall not be subject to any state or local tax; the surcharge shall be collected by the VoIP provider, and may be identified on the customer's bill.

(e) Each local exchange telephone company, VoIP service provider, or entity which provides commercial mobile radio service, including prepaid commercial mobile radio service except as otherwise provided in subparagraph I-a(i), shall remit the surcharge amounts on a monthly basis, as prescribed by the commissioner, to the enhanced 911 services bureau, which shall be forwarded to the state treasurer for deposit in the enhanced 911 system fund. The state treasurer shall pay expenses incurred in the administration of the enhanced 911 system and the statewide emergency notification system from such fund. Such fund shall not lapse. If the expenditure of additional funds over budget estimates is necessary for the proper functioning of the enhanced 911 system or the statewide emergency notification system, the department of safety may request, with prior approval of the fiscal committee of the general court, the transfer of funds from the enhanced 911 system fund to the department of safety for such purposes. The moneys in the account shall not be used for any purpose other than the development and operation of enhanced 911 services and the statewide emergency notification system, in accordance with the terms of this chapter. Surcharge amounts shall be reviewed after the budget has been approved or modified, and if appropriate, new tariffs or rate

schedules shall be filed with the public utilities commission reflecting the surcharge amount.

I-a. Prepaid commercial mobile radio service.

(a) In this paragraph:

(1) "Consumer" means a natural person or any other person who purchases prepaid commercial mobile radio service in a retail transaction.

(2) "Commissioner" means the commissioner of the department of safety.

(3) "Division" means the division of emergency services and communications of the department of safety.

(4) "Entity" means a natural person or any other person, including any firm, corporation, partnership, or business organization.

(5) "Provider" means an entity that provides prepaid commercial mobile radio service pursuant to a license issued by the Federal Communications Commission.

(6) "Retail transaction" means the purchase of prepaid commercial mobile radio service from a seller for any purpose other than resale.

(7) "Seller" means an entity, including a provider, who sells prepaid commercial mobile radio service to a consumer.

(b) There is hereby imposed a prepaid commercial mobile radio service E911 surcharge that shall be levied on each retail transaction sourced to New Hampshire. The amount of the surcharge levied for each retail transaction shall be the same as the surcharge imposed under RSA 106-H:9, I(a).

(c) For purposes of subparagraph (b), a retail transaction is sourced to New Hampshire:

(1) If the transaction occurs in person at a seller's location in New Hampshire; or

(2) If subparagraph (1) does not apply, the prepaid commercial mobile radio service is evidenced by a physical item, such as a card, and the purchaser provides a New Hampshire delivery address for such item; or

(3) If subparagraphs (1) and (2) do not apply, the consumer gives a New Hampshire address during the consummation of the sale, including the address associated with the consumer's payment instrument if no other address is available, and the address is not given in bad faith; or

(4) If subparagraphs (1)-(3) do not apply, the consumer's mobile telephone number is associated with a postal zip code, telephone area code, or location within New Hampshire.

(d) The prepaid commercial mobile radio service E911 surcharge shall be collected by the seller from the consumer with respect to each retail transaction sourced to New Hampshire. The amount of the surcharge shall be either separately stated on an invoice, receipt, or other similar document that is provided by the seller to the consumer, or otherwise disclosed to the consumer.

(e) The seller shall be liable to remit all charges required by this paragraph that are collected from consumers, including all such charges that the seller is deemed to collect where the amount of the surcharge has not been separately stated on an invoice, receipt, or other similar document provided by the seller to the consumer.

(f) The prepaid commercial mobile radio service E911 surcharge shall not be subject to any other state or local tax.

(g) If a minimal amount of prepaid commercial mobile radio service is sold with a prepaid mobile device for a single, non-itemized price, then the seller may elect not to apply the surcharge to such transaction. For purposes of this subparagraph, an amount of service denominated as 10 minutes or less, or 5 dollars or less, is minimal.

(h) A seller may deduct and retain 3 percent of the prepaid commercial mobile radio service E911 charges that are collected by the seller from consumers.

(i) A seller having less than 150 retail transactions in a calendar quarter and who has not collected the surcharge on such transactions shall not be required to remit the surcharge on those transactions, provided that the seller:

(1) Submits a certification to the enhanced 911 services bureau, not later than the 15th day