

AN ACT concerning local government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 1. Short title. This Act may be cited as the Prepaid Wireless 9-1-1 Surcharge Act.

Section 5. Purpose. The General Assembly finds and declares that maintaining effective and efficient 9-1-1 systems across the State benefits all citizens. The fees imposed upon the consumers of telecommunication services that have the ability to dial 9-1-1 are an important funding mechanism to assist the State and units of local government with the deployment of enhanced 9-1-1 services to the citizens of this State.

Prepaid wireless telecommunication services are an important segment of the telecommunications industry and have proven particularly attractive to low-income and low-volume consumers. Unlike traditional telecommunication services, prepaid wireless telecommunications services are not sold or used pursuant to term contracts or subscriptions and monthly bills are not sent to consumers by prepaid wireless telecommunication service providers or retail vendors.

Prepaid wireless consumers have the same access to emergency 9-1-1 services from their wireless devices as wireless consumers on term contracts. Prepaid wireless

consumers benefit from the ability to access the 9-1-1 system by dialing 9-1-1.

Consumers purchase prepaid wireless telecommunication services at a wide variety of general retail locations and other distribution channels. Such purchases are made on a cash-and-carry or pay-as-you-go basis from retailers.

It is the intent of the General Assembly to:

(1) ensure equitable contributions to the funding of 9-1-1 systems from consumers of prepaid wireless telecommunication services;

(2) collect 9-1-1 surcharges from purchasers of prepaid wireless telecommunications services at the point of sale;

(3) impose the collection and remittance obligation for 9-1-1 surcharges on sellers of prepaid wireless telecommunications services;

(4) impose a statewide administered 9-1-1 surcharge on point of sale transactions in order to minimize administrative costs on retailers.

Section 10. Definitions. In this Act:

"Consumer" means a person who purchases prepaid wireless telecommunications service in a retail transaction.

"Department" means the Department of Revenue.

"Prepaid wireless E911 surcharge" means the charge that is required to be collected by a seller from a consumer in the

amount established under Section 15 of this Act.

"Prepaid wireless telecommunications service" means a wireless telecommunications service that allows a caller to dial 9-1-1 to access the 9-1-1 system, which service must be paid for in advance and is sold in predetermined units or dollars of which the amount declines with use in a known amount.

"Provider" means a person that provides prepaid wireless telecommunications service pursuant to a license issued by the Federal Communications Commission.

"Retail transaction" means the purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale.

"Seller" means a person who sells prepaid wireless telecommunications service to another person.

"Wireless telecommunications service" means commercial mobile radio service as defined by 47 C.F.R. 20.3.

Section 15. Prepaid wireless 9-1-1 surcharge.

(a) There is hereby imposed on consumers a prepaid wireless 9-1-1 surcharge of 1.5% per retail transaction. The surcharge authorized by this subsection (a) does not apply in a home rule municipality having a population in excess of 500,000. The amount of the surcharge may be reduced or increased pursuant to subsection (e).

(a-5) A home rule municipality having a population in

excess of 500,000 on the effective date of this Act may only impose a prepaid wireless 9-1-1 surcharge not to exceed 7% per retail transaction sourced to that jurisdiction and collected and remitted in accordance with the provisions of subsection (b-5).

(b) The prepaid wireless 9-1-1 surcharge shall be collected by the seller from the consumer with respect to each retail transaction occurring in this State and shall be remitted to the Department by the seller as provided in this Act. The amount of the prepaid wireless 9-1-1 surcharge shall be separately stated as a distinct item apart from the charge for the prepaid wireless telecommunications service on an invoice, receipt, or other similar document that is provided to the consumer by the seller or shall be otherwise disclosed to the consumer. If the seller does not separately state the surcharge as a distinct item to the consumer as provided in this Section, then the seller shall maintain books and records as required by this Act which clearly identify the amount of the 9-1-1 surcharge for retail transactions.

For purposes of this subsection (b), a retail transaction occurs in this State if (i) the retail transaction is made in person by a consumer at the seller's business location and the business is located within the State; (ii) the seller is a provider and sells prepaid wireless telecommunications service to a consumer located in Illinois; (iii) the retail transaction is treated as occurring in this State for purposes of the

Retailers' Occupation Tax Act; or (iv) a seller that is included within the definition of a "retailer maintaining a place of business in this State" under Section 2 of the Use Tax Act makes a sale of prepaid wireless telecommunications service to a consumer located in Illinois. In the case of a retail transaction which does not occur in person at a seller's business location, if a consumer uses a credit card to purchase prepaid wireless telecommunications service on-line or over the telephone, and no product is shipped to the consumer, the transaction occurs in this State if the billing address for the consumer's credit card is in this State.

(b-5) The prepaid wireless 9-1-1 surcharge imposed under subsection (a-5) of this Section shall be collected by the seller from the consumer with respect to each retail transaction occurring in the municipality imposing the surcharge. The amount of the prepaid wireless 9-1-1 surcharge shall be separately stated on an invoice, receipt, or other similar document that is provided to the consumer by the seller or shall be otherwise disclosed to the consumer. If the seller does not separately state the surcharge as a distinct item to the consumer as provided in this Section, then the seller shall maintain books and records as required by this Act which clearly identify the amount of the 9-1-1 surcharge for retail transactions.

For purposes of this subsection (b-5), a retail transaction occurs in the municipality if (i) the retail transaction is

made in person by a consumer at the seller's business location and the business is located within the municipality; (ii) the seller is a provider and sells prepaid wireless telecommunications service to a consumer located in the municipality; (iii) the retail transaction is treated as occurring in the municipality for purposes of the Retailers' Occupation Tax Act; or (iv) a seller that is included within the definition of a "retailer maintaining a place of business in this State" under Section 2 of the Use Tax Act makes a sale of prepaid wireless telecommunications service to a consumer located in the municipality. In the case of a retail transaction which does not occur in person at a seller's business location, if a consumer uses a credit card to purchase prepaid wireless telecommunications service on-line or over the telephone, and no product is shipped to the consumer, the transaction occurs in the municipality if the billing address for the consumer's credit card is in the municipality.

(c) The prepaid wireless 9-1-1 surcharge is imposed on the consumer and not on any provider. The seller shall be liable to remit all prepaid wireless 9-1-1 surcharges that the seller collects from consumers as provided in Section 20, including all such surcharges 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 to the consumer by the seller. The surcharge collected or deemed collected by a seller shall constitute a debt owed by the

seller to this State, and any such surcharge actually collected shall be held in trust for the benefit of the Department.

For purposes of this subsection (c), the surcharge shall not be imposed or collected from entities that are tax exempt under the Retailers' Occupation Tax Act.

(d) The amount of the prepaid wireless 9-1-1 surcharge that is collected by a seller from a consumer, if such amount is separately stated on an invoice, receipt, or other similar document provided to the consumer by the seller, shall not be included in the base for measuring any tax, fee, surcharge, or other charge that is imposed by this State, any political subdivision of this State, or any intergovernmental agency.

(e) The prepaid wireless 9-1-1 charge imposed under subsection (a) of this Section shall be proportionately increased or reduced, as applicable, upon any change to the surcharge imposed under Section 17 of the Wireless Emergency Telephone Safety Act. The adjusted rate shall be determined by dividing the amount of the surcharge imposed under Section 17 of the Wireless Emergency Telephone Safety Act by \$50. Such increase or reduction shall be effective on the first day of the first calendar month to occur at least 60 days after the enactment of the change to the surcharge imposed under Section 17 of the Wireless Emergency Telephone Safety Act. The Department shall provide not less than 30 days' notice of an increase or reduction in the amount of the surcharge on the Department's website.

(e-5) Any changes in the rate of the surcharge imposed by a municipality under the authority granted in subsection (a-5) of this Section shall be effective on the first day of the first calendar month to occur at least 60 days after the enactment of the change. The Department shall provide not less than 30 days' notice of the increase or reduction in the rate of such surcharge on the Department's website.

(f) When prepaid wireless telecommunications service is sold with one or more other products or services for a single, non-itemized price, then the percentage specified in subsection (a) or (a-5) of this Section 15 shall be applied to the entire non-itemized price unless the seller elects to apply the percentage to (i) the dollar amount of the prepaid wireless telecommunications service if that dollar amount is disclosed to the consumer or (ii) the portion of the price that is attributable to the prepaid wireless telecommunications service if the retailer can identify that portion by reasonable and verifiable standards from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, books and records that are kept for non-tax purposes. However, if a minimal amount of prepaid wireless telecommunications service is sold with a prepaid wireless device for a single, non-itemized price, then the seller may elect not to apply the percentage specified in subsection (a) or (a-5) of this Section 15 to such transaction. For purposes of this subsection, an amount of service

denominated as 10 minutes or less or \$5 or less is considered minimal.

Section 20. Administration of prepaid wireless 9-1-1 surcharge.

(a) In the administration and enforcement of this Act, the provisions of Sections 2a, 2b, 2c, 3, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, and 12 of the Retailers' Occupation Tax Act that are not inconsistent with this Act, and Section 3-7 of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if those provisions were included in this Act. References to "taxes" in these incorporated Sections shall be construed to apply to the administration, payment, and remittance of all surcharges under this Act. The Department shall establish registration and payment procedures that substantially coincide with the registration and payment procedures that apply to the Retailers' Occupation Tax Act.

(b) For the first 12 months after the effective date of this Act, a seller shall be permitted to deduct and retain 5% of prepaid wireless 9-1-1 surcharges that are collected by the seller from consumers and that are remitted and timely filed with the Department. After the first 12 months, a seller shall be permitted to deduct and retain 3% of prepaid wireless 9-1-1 surcharges that are collected by the seller from consumers and

that are remitted and timely filed with the Department.

(c) The Department shall pay all remitted prepaid wireless E911 charges over to the State Treasurer for deposit into the Wireless Service Emergency Fund within 30 days after receipt. The Illinois Commerce Commission shall distribute such funds in the same proportion as they are distributed under the Wireless Emergency Telephone Safety Act and such funds may only be used in accordance with the provisions of the Wireless Emergency Telephone Safety Act. The Department may deduct an amount, not to exceed 3% during the first year following the effective date of this Act and not to exceed 2% during every year thereafter of remitted charges, to be retained by the Department to reimburse its direct costs of administering the collection and remittance of prepaid wireless 9-1-1 surcharges.

(d) The Department shall administer the collection of all 9-1-1 surcharges and may adopt and enforce reasonable rules relating to the administration and enforcement of the provisions of this Act as may be deemed expedient. The Department shall require all surcharges collected under this Act to be reported on existing forms or combined forms, including, but not limited to, Form ST-1.

Section 25. Liability of sellers and providers. The provisions of Section 50 of the Wireless Emergency Telephone Safety Act shall apply to sellers and providers of prepaid wireless telecommunications service.

Section 27. Home rule. A home rule unit may not impose a separate surcharge on wireless 9-1-1 service in addition to the surcharge imposed on wireless 9-1-1 service under this Act. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

Section 30. Exclusivity of prepaid wireless 9-1-1 surcharge. The prepaid wireless 9-1-1 surcharge imposed by this Act shall be the only 9-1-1 funding obligation imposed with respect to prepaid wireless telecommunications service in this State. No tax, fee, surcharge, or other charge shall be imposed by this State, any political subdivision of this State, or any intergovernmental agency, for 9-1-1 funding purposes, upon any provider, seller, or consumer with respect to the sale, purchase, use, or provision of prepaid wireless telecommunications service.

Section 90. The Emergency Telephone System Act is amended by changing Section 15.3 and by adding Sections 2.24, 2.25, and 2.26 as follows:

(50 ILCS 750/2.24 new)

Sec. 2.24. Advanced service. "Advanced service" means any telecommunications service with dynamic bandwidth allocation,

including but not limited to ISDN Primary Rate Interface (PRI), that, through the use of a DS-1, T-1, or similar un-channelized or multi-channel transmission facility, is capable of transporting either the subscriber's inter-premises voice telecommunications services to the public switched network or the subscriber's 9-1-1 calls to the public agency. As used in this Section, "dynamic bandwidth allocation" means the ability of the facility or customer to drop and add channels, or adjust bandwidth, when needed in real time for voice or data purposes. As used in this Section, "DS-1, T-1, or similar un-channelized or multi-channel transmission facility" means a facility that can transmit and receive a bit rate of at least 1.544 megabits per second (Mbps).

(50 ILCS 750/2.25 new)

Sec. 2.25. Regular service. "Regular service" means any telecommunications service, other than advanced service, that is capable of transporting either the subscriber's inter-premises voice telecommunications services to the public switched network or the subscriber's 9-1-1 calls to the public agency.

(50 ILCS 750/2.26 new)

Sec. 2.26. Trunk line. "Trunk line" means a transmission path, or group of transmission paths, connecting a subscriber's Private Branch Exchange ("P.B.X.") to a telecommunications

carrier's public switched network. In the case of regular service, each voice grade communications channel or equivalent amount of bandwidth capable of transporting either the subscriber's inter-premises voice telecommunications services to the public switched network or the subscriber's 9-1-1 calls to the public agency shall be considered a trunk line, even if it is bundled with other channels or additional bandwidth. In the case of advanced service, each DS-1, T-1, or similar un-channelized or multi-channel transmission facility that is capable of transporting either the subscriber's inter-premises voice telecommunications services to the public switched network or the subscriber's 9-1-1 calls to the public agency shall be considered a single trunk line, even if it contains multiple voice grade communications channels or otherwise supports 2 or more voice grade calls ("VGC") at a time; provided, however, that each additional 1.544 Mbps of transmission capacity that is capable of transporting either the subscriber's inter-premises voice telecommunications services to the public switched network or the subscriber's 9-1-1 calls to the public agency shall be considered an additional trunk line.

(50 ILCS 750/15.3) (from Ch. 134, par. 45.3)

Sec. 15.3. Surcharge.

(a) The corporate authorities of any municipality or any county may, subject to the limitations of subsections (c), (d),

and (h), and in addition to any tax levied pursuant to the Simplified Municipal Telecommunications Tax Act, impose a monthly surcharge on billed subscribers of network connection provided by telecommunication carriers engaged in the business of transmitting messages by means of electricity originating within the corporate limits of the municipality or county imposing the surcharge at a rate per network connection determined in accordance with subsection (c), however the monthly surcharge shall not apply to a network connection provided for use with pay telephone services. Provided, however, that where multiple voice grade communications channels are connected between the subscriber's premises and a public switched network through private branch exchange (PBX) or centrex type service, a municipality imposing a surcharge at a rate per network connection, as determined in accordance with this Act, shall impose:

(i) in a municipality with a population of 500,000 or less or in any county, 5 such surcharges per network connection, as determined in accordance with subsections (a) and (d) of Section 2.12 of this Act, for both regular service and advanced service provisioned trunk lines;

(ii) in a municipality with a population, prior to March 1, 2010, of 500,000 or more, 5 surcharges per network connection, as determined in accordance with subsections (a) and (d) of Section 2.12 of this Act, for both regular service and advanced service provisioned trunk lines;

(iii) in a municipality with a population, as of March 1, 2010, of 500,000 or more, 5 surcharges per network connection, as determined in accordance with subsections (a) and (d) of Section 2.12 of this Act, for regular service provisioned trunk lines, and 12 surcharges per network connection, as determined in accordance with subsections (a) and (d) of Section 2.12 of this Act, for advanced service provisioned trunk lines, except where an advanced service provisioned trunk line supports at least 2 but fewer than 23 simultaneous voice grade calls ("VGC's"), a telecommunication carrier may elect to impose fewer than 12 surcharges per trunk line as provided in subsection (iv) of this Section; or

(iv) for an advanced service provisioned trunk line connected between the subscriber's premises and the public switched network through a P.B.X., where the advanced service provisioned trunk line is capable of transporting at least 2 but fewer than 23 simultaneous VGC's per trunk line, the telecommunications carrier collecting the surcharge may elect to impose surcharges in accordance with the table provided in this Section, without limiting any telecommunications carrier's obligations to otherwise keep and maintain records. Any telecommunications carrier electing to impose fewer than 12 surcharges per an advanced service provisioned trunk line shall keep and maintain records adequately to demonstrate the VGC capability of each advanced service provisioned trunk line with fewer than 12 surcharges imposed, provided that 12 surcharges

shall be imposed on an advanced service provisioned trunk line regardless of the VGC capability where a telecommunications carrier cannot demonstrate the VGC capability of the advanced service provisioned trunk line.

<u>Facility</u>	<u>VGC's</u>	<u>911 Surcharges</u>
<u>Advanced service provisioned trunk line</u>	<u>18-23</u>	<u>12</u>
<u>Advanced service provisioned trunk line</u>	<u>12-17</u>	<u>10</u>
<u>Advanced service provisioned trunk line</u>	<u>2-11</u>	<u>8</u>

Subsections (i), (ii), (iii), and (iv) are not intended to make any change in the meaning of this Section, but are intended to remove possible ambiguity, thereby confirming the intent of paragraph (a) as it existed prior to and following the effective date of this amendatory Act of the 97th General Assembly.

For mobile telecommunications services, if a surcharge is imposed it shall be imposed based upon the municipality or county that encompasses the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. A municipality may enter into an intergovernmental agreement with any county in which it is partially located, when the county has adopted an ordinance to impose a surcharge as provided in subsection (c), to include that portion of the municipality lying outside the county in that county's surcharge referendum. If the county's surcharge referendum is

approved, the portion of the municipality identified in the intergovernmental agreement shall automatically be disconnected from the county in which it lies and connected to the county which approved the referendum for purposes of a surcharge on telecommunications carriers.

(b) For purposes of computing the surcharge imposed by subsection (a), the network connections to which the surcharge shall apply shall be those in-service network connections, other than those network connections assigned to the municipality or county, where the service address for each such network connection or connections is located within the corporate limits of the municipality or county levying the surcharge. Except for mobile telecommunication services, the "service address" shall mean the location of the primary use of the network connection or connections. For mobile telecommunication services, "service address" means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act.

(c) Upon the passage of an ordinance to impose a surcharge under this Section the clerk of the municipality or county shall certify the question of whether the surcharge may be imposed to the proper election authority who shall submit the public question to the electors of the municipality or county in accordance with the general election law; provided that such question shall not be submitted at a consolidated primary election. The public question shall be in substantially the

following form:

Shall the county (or city, village
or incorporated town) of impose YES
a surcharge of up to ...¢ per month per
network connection, which surcharge will
be added to the monthly bill you receive -----
for telephone or telecommunications
charges, for the purpose of installing
(or improving) a 9-1-1 Emergency NO
Telephone System?

If a majority of the votes cast upon the public question
are in favor thereof, the surcharge shall be imposed.

However, if a Joint Emergency Telephone System Board is to
be created pursuant to an intergovernmental agreement under
Section 15.4, the ordinance to impose the surcharge shall be
subject to the approval of a majority of the total number of
votes cast upon the public question by the electors of all of
the municipalities or counties, or combination thereof, that
are parties to the intergovernmental agreement.

The referendum requirement of this subsection (c) shall not
apply to any municipality with a population over 500,000 or to
any county in which a proposition as to whether a sophisticated
9-1-1 Emergency Telephone System should be installed in the
county, at a cost not to exceed a specified monthly amount per

network connection, has previously been approved by a majority of the electors of the county voting on the proposition at an election conducted before the effective date of this amendatory Act of 1987.

(d) A county may not impose a surcharge, unless requested by a municipality, in any incorporated area which has previously approved a surcharge as provided in subsection (c) or in any incorporated area where the corporate authorities of the municipality have previously entered into a binding contract or letter of intent with a telecommunications carrier to provide sophisticated 9-1-1 service through municipal funds.

(e) A municipality or county may at any time by ordinance change the rate of the surcharge imposed under this Section if the new rate does not exceed the rate specified in the referendum held pursuant to subsection (c).

(f) The surcharge authorized by this Section shall be collected from the subscriber by the telecommunications carrier providing the subscriber the network connection as a separately stated item on the subscriber's bill.

(g) The amount of surcharge collected by the telecommunications carrier shall be paid to the particular municipality or county or Joint Emergency Telephone System Board not later than 30 days after the surcharge is collected, net of any network or other 9-1-1 or sophisticated 9-1-1 system charges then due the particular telecommunications carrier, as

shown on an itemized bill. The telecommunications carrier collecting the surcharge shall also be entitled to deduct 3% of the gross amount of surcharge collected to reimburse the telecommunications carrier for the expense of accounting and collecting the surcharge.

(h) Except as expressly provided in subsection (a) of this Section, a municipality with a population over 500,000 may not impose a monthly surcharge in excess of \$2.50 per network connection.

(i) Any municipality or county or joint emergency telephone system board that has imposed a surcharge pursuant to this Section prior to the effective date of this amendatory Act of 1990 shall hereafter impose the surcharge in accordance with subsection (b) of this Section.

(j) The corporate authorities of any municipality or county may issue, in accordance with Illinois law, bonds, notes or other obligations secured in whole or in part by the proceeds of the surcharge described in this Section. Notwithstanding any change in law subsequent to the issuance of any bonds, notes or other obligations secured by the surcharge, every municipality or county issuing such bonds, notes or other obligations shall be authorized to impose the surcharge as though the laws relating to the imposition of the surcharge in effect at the time of issuance of the bonds, notes or other obligations were in full force and effect until the bonds, notes or other obligations are paid in full. The State of Illinois pledges and

agrees that it will not limit or alter the rights and powers vested in municipalities and counties by this Section to impose the surcharge so as to impair the terms of or affect the security for bonds, notes or other obligations secured in whole or in part with the proceeds of the surcharge described in this Section.

(k) Any surcharge collected by or imposed on a telecommunications carrier pursuant to this Section shall be held to be a special fund in trust for the municipality, county or Joint Emergency Telephone Board imposing the surcharge. Except for the 3% deduction provided in subsection (g) above, the special fund shall not be subject to the claims of creditors of the telecommunication carrier.

(Source: P.A. 95-331, eff. 8-21-07; 95-698, eff. 1-1-08; 95-1012, eff. 12-15-08.)

Section 95. The Wireless Emergency Telephone Safety Act is amended by changing Sections 10 and 17 and by adding Section 80 as follows:

(50 ILCS 751/10)

(Section scheduled to be repealed on April 1, 2013)

Sec. 10. Definitions. In this Act:

~~"Active prepaid wireless telephone" means a prepaid wireless telephone that has been used or activated by the customer during the month to complete a telephone call for~~

~~which the customer's card or account was decremented.~~

"Emergency telephone system board" means a board appointed by the corporate authorities of any county or municipality that provides for the management and operation of a 9-1-1 system within the scope of the duties and powers prescribed by the Emergency Telephone System Act.

"Master street address guide" means the computerized geographical database that consists of all street and address data within a 9-1-1 system.

"Mobile telephone number" or "MTN" shall mean the telephone number assigned to a wireless telephone at the time of initial activation.

"Prepaid wireless telecommunications ~~telephone~~ service" means wireless telecommunications ~~telephone~~ service that allows a caller to dial 9-1-1 to access the 9-1-1 system, which service must be paid for in advance and is sold in predetermined units or dollars which the amount declines with use in a known amount. ~~which is activated by payment in advance of a finite dollar amount or for a finite set of minutes and which, unless an additional finite dollar amount or finite set of minutes is paid in advance, terminates either (i) upon use by a customer and delivery by the wireless carrier of an agreed upon amount of service corresponding to the total dollar amount paid in advance, or within a certain period of time following initial purchase or activation.~~

"Public safety agency" means a functional division of a

public agency that provides fire fighting, police, medical, or other emergency services. For the purpose of providing wireless service to users of 9-1-1 emergency services, as expressly provided for in this Act, the Department of State Police may be considered a public safety agency.

"Qualified governmental entity" means a unit of local government authorized to provide 9-1-1 services pursuant to the Emergency Telephone System Act where no emergency telephone system board exists.

"Remit period" means the billing period, one month in duration, for which a wireless carrier, ~~other than a prepaid wireless carrier that provides zip code information based upon the addresses associated with its customers' points of purchase, customers' billing addresses, or locations associated with MTNs, as described in subsection (a) of Section 17,~~ remits a surcharge and provides subscriber information by zip code to the Illinois Commerce Commission, in accordance with Section 17 of this Act.

"Statewide wireless emergency 9-1-1 system" means all areas of the State where an emergency telephone system board or, in the absence of an emergency telephone system board, a qualified governmental entity has not declared its intention for one or more of its public safety answering points to serve as a primary wireless 9-1-1 public safety answering point for its jurisdiction. The operator of the statewide wireless emergency 9-1-1 system shall be the Department of State Police.

~~"Sufficient positive balance" means a dollar amount greater than or equal to the monthly wireless 9-1-1 surcharge amount.~~

"Wireless carrier" means a provider of two-way cellular, broadband PCS, geographic area 800 MHZ and 900 MHZ Commercial Mobile Radio Service (CMRS), Wireless Communications Service (WCS), or other Commercial Mobile Radio Service (CMRS), as defined by the Federal Communications Commission, offering radio communications that may provide fixed, mobile, radio location, or satellite communication services to individuals or businesses within its assigned spectrum block and geographical area or that offers real-time, two-way voice service that is interconnected with the public switched network, including a reseller of such service.

"Wireless enhanced 9-1-1" means the ability to relay the telephone number of the originator of a 9-1-1 call and location information from any mobile handset or text telephone device accessing the wireless system to the designated wireless public safety answering point as set forth in the order of the Federal Communications Commission, FCC Docket No. 94-102, adopted June 12, 1996, with an effective date of October 1, 1996, and any subsequent amendment thereto.

"Wireless public safety answering point" means the functional division of an emergency telephone system board, qualified governmental entity, or the Department of State Police accepting wireless 9-1-1 calls.

"Wireless subscriber" means an individual or entity to whom a wireless service account or number has been assigned by a wireless carrier, other than an account or number associated with prepaid wireless telecommunication service.

~~"Wireless telephone service" includes prepaid wireless telephone service and means all "commercial mobile service", as that term is defined in 47 CFR 20.3, including all personal communications services, wireless radio telephone services, geographic area specialized and enhanced specialized mobile radio services, and incumbent wide area specialized mobile radio licenses that offer real time, two-way service that is interconnected with the public switched telephone network.~~

(Source: P.A. 95-63, eff. 8-13-07.)

(50 ILCS 751/17)

(Section scheduled to be repealed on April 1, 2013)

Sec. 17. Wireless carrier surcharge.

(a) Except as provided in Sections ~~Section~~ 45 and 80, each wireless carrier shall impose a monthly wireless carrier surcharge per CMRS connection that either has a telephone number within an area code assigned to Illinois by the North American Numbering Plan Administrator or has a billing address in this State. ~~In the case of prepaid wireless telephone service, this surcharge shall be remitted based upon the address associated with the point of purchase, the customer billing address, or the location associated with the MTN for~~

~~each active prepaid wireless telephone that has a sufficient positive balance as of the last day of each month, if that information is available.~~ No wireless carrier shall impose the surcharge authorized by this Section upon any subscriber who is subject to the surcharge imposed by a unit of local government pursuant to Section 45. Prior to January 1, 2008 (the effective date of Public Act 95-698), the surcharge amount shall be the amount set by the Wireless Enhanced 9-1-1 Board. Beginning on January 1, 2008 (the effective date of Public Act 95-698), the monthly surcharge imposed under this Section shall be \$0.73 per CMRS connection. The wireless carrier that provides wireless service to the subscriber shall collect the surcharge from the subscriber. For mobile telecommunications services provided on and after August 1, 2002, any surcharge imposed under this Act shall be imposed based upon the municipality or county that encompasses the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. The surcharge shall be stated as a separate item on the subscriber's monthly bill. The wireless carrier shall begin collecting the surcharge on bills issued within 90 days after the Wireless Enhanced 9-1-1 Board sets the monthly wireless surcharge. State and local taxes shall not apply to the wireless carrier surcharge.

(b) Except as provided in Sections ~~Section~~ 45 and 80, a wireless carrier shall, within 45 days of collection, remit, either by check or by electronic funds transfer, to the State

Treasurer the amount of the wireless carrier surcharge collected from each subscriber. Of the amounts remitted under this subsection prior to January 1, 2008 (the effective date of Public Act 95-698), and for surcharges imposed before January 1, 2008 (the effective date of Public Act 95-698) but remitted after January 1, 2008, the State Treasurer shall deposit one-third into the Wireless Carrier Reimbursement Fund and two-thirds into the Wireless Service Emergency Fund. For surcharges collected and remitted on or after January 1, 2008 (the effective date of Public Act 95-698), \$0.1475 per surcharge collected shall be deposited into the Wireless Carrier Reimbursement Fund, and \$0.5825 per surcharge collected shall be deposited into the Wireless Service Emergency Fund. Of the amounts deposited into the Wireless Carrier Reimbursement Fund under this subsection, \$0.01 per surcharge collected may be distributed to the carriers to cover their administrative costs. Of the amounts deposited into the Wireless Service Emergency Fund under this subsection, \$0.01 per surcharge collected may be disbursed to the Illinois Commerce Commission to cover its administrative costs.

(c) The first such remittance by wireless carriers shall include the number of wireless subscribers ~~customers~~ by zip code, and the 9-digit zip code if currently being used or later implemented by the carrier, that shall be the means by which the Illinois Commerce Commission shall determine distributions from the Wireless Service Emergency Fund. This information

shall be updated no less often than every year. Wireless carriers are not required to remit surcharge moneys that are billed to subscribers but not yet collected. Any carrier that fails to provide the zip code information required under this subsection (c) ~~or any prepaid wireless carrier that fails to provide zip code information based upon the addresses associated with its customers' points of purchase, customers' billing addresses, or locations associated with MTNs, as described in subsection (a) of this Section,~~ shall be subject to the penalty set forth in subsection (f) of this Section.

(d) Any funds collected under the Prepaid Wireless 9-1-1 Surcharge Act shall be distributed using a prorated method based upon zip code information collected from post-paid wireless carriers under subsection (c) of this Section. ~~Within 90 days after August 13, 2007 (the effective date of Public Act 95-63), each wireless carrier must implement a mechanism for the collection of the surcharge imposed under subsection (a) of this Section from its subscribers. If a wireless carrier does not implement a mechanism for the collection of the surcharge from its subscribers in accordance with this subsection (d), then the carrier is required to remit the surcharge for all subscribers until the carrier is deemed to be in compliance with this subsection (d) by the Illinois Commerce Commission.~~

(e) If before midnight on the last day of the third calendar month after the closing date of the remit period a wireless carrier does not remit the surcharge or any portion

thereof required under this Section, then the surcharge or portion thereof shall be deemed delinquent until paid in full, and the Illinois Commerce Commission may impose a penalty against the carrier in an amount equal to the greater of:

(1) \$25 for each month or portion of a month from the time an amount becomes delinquent until the amount is paid in full; or

(2) an amount equal to the product of 1% and the sum of all delinquent amounts for each month or portion of a month that the delinquent amounts remain unpaid.

A penalty imposed in accordance with this subsection (e) for a portion of a month during which the carrier provides the number of subscribers by zip code as required under subsection (c) of this Section shall be prorated for each day of that month during which the carrier had not provided the number of subscribers by zip code as required under subsection (c) of this Section. Any penalty imposed under this subsection (e) is in addition to the amount of the delinquency and is in addition to any other penalty imposed under this Section.

(f) If, before midnight on the last day of the third calendar month after the closing date of the remit period, a wireless carrier does not provide the number of subscribers by zip code as required under subsection (c) of this Section, then the report is deemed delinquent and the Illinois Commerce Commission may impose a penalty against the carrier in an amount equal to the greater of:

(1) \$25 for each month or portion of a month that the report is delinquent; or

(2) an amount equal to the product of 1/2¢ and the number of subscribers served by the wireless carrier.

A penalty imposed in accordance with this subsection (f) for a portion of a month during which the carrier pays the delinquent amount in full shall be prorated for each day of that month that the delinquent amount was paid in full. Any penalty imposed under this subsection (f) is in addition to any other penalty imposed under this Section.

(g) The Illinois Commerce Commission may enforce the collection of any delinquent amount and any penalty due and unpaid under this Section by legal action or in any other manner by which the collection of debts due the State of Illinois may be enforced under the laws of this State. The Executive Director of the Illinois Commerce Commission, or his or her designee, may excuse the payment of any penalty imposed under this Section if the Executive Director, or his or her designee, determines that the enforcement of this penalty is unjust.

(h) Notwithstanding any provision of law to the contrary, nothing shall impair the right of wireless carriers to recover compliance costs for all emergency communications services that are not reimbursed out of the Wireless Carrier Reimbursement Fund directly from their wireless subscribers ~~customers~~ via line-item charges on the wireless subscriber's

~~customer's~~ bill. Those compliance costs include all costs incurred by wireless carriers in complying with local, State, and federal regulatory or legislative mandates that require the transmission and receipt of emergency communications to and from the general public, including, but not limited to, E-911.

(i) The Auditor General shall conduct, on an annual basis, an audit of the Wireless Service Emergency Fund and the Wireless Carrier Reimbursement Fund for compliance with the requirements of this Act. The audit shall include, but not be limited to, the following determinations:

(1) Whether the Commission is maintaining detailed records of all receipts and disbursements from the Wireless Carrier Emergency Fund and the Wireless Carrier Reimbursement Fund.

(2) Whether the Commission's administrative costs charged to the funds are adequately documented and are reasonable.

(3) Whether the Commission's procedures for making grants and providing reimbursements in accordance with the Act are adequate.

(4) The status of the implementation of wireless 9-1-1 and E9-1-1 services in Illinois.

The Commission, the Department of State Police, and any other entity or person that may have information relevant to the audit shall cooperate fully and promptly with the Office of the Auditor General in conducting the audit. The Auditor

General shall commence the audit as soon as possible and distribute the report upon completion in accordance with Section 3-14 of the Illinois State Auditing Act.

(Source: P.A. 95-63, eff. 8-13-07; 95-698, eff. 1-1-08; 95-876, eff. 8-21-08.)

(50 ILCS 751/80 new)

Sec. 80. Prepaid wireless telecommunications service; surcharge. The wireless carrier surcharge and any other requirements imposed by Section 17 or authorized by Section 45 shall not apply to prepaid wireless telecommunications service. The provisions of the Prepaid Wireless 9-1-1 Surcharge Act shall apply to prepaid wireless telecommunications service.

Section 97. The Public Utilities Act is amended by changing Section 13-230 as follows:

(220 ILCS 5/13-230)

(Section scheduled to be repealed on July 1, 2013)

Sec. 13-230. Prepaid calling service. "Prepaid calling service" means telecommunications service that must be paid for in advance by an end user, enables the end user to originate calls using an access number or authorization code, whether manually or electronically dialed, and is sold in predetermined units or dollars of which the number declines with use in a

known amount. A prepaid calling service call is a call made by an end user using prepaid calling service. "Prepaid calling service" does not include prepaid wireless telecommunications ~~telephone~~ service as defined in Section 10 of the Wireless Emergency Telephone Safety Act.

(Source: P.A. 93-1002, eff. 1-1-05.)

Section 997. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 999. Effective date. This Act takes effect January 1, 2012, except that this Section and Section 90 shall take effect upon becoming law.