CHAPTER 302

## **GOVERNMENT - LOCAL**

SENATE BILL 24-139

BY SENATOR(S) Gonzales, Coleman, Cutter, Hinrichsen, Michaelson Jenet, Rodriguez; also REPRESENTATIVE(S) deGruy Kennedy and Lindstedt, Amabile, Boesenecker, Brown, Clifford, Daugherty, Duran, Epps, Froelich, Hamrick, Jodeh, Kipp, Lindsay, Mauro, Ricks, Rutinel, Sirota, Titone, Valdez, Woodrow, McCluskie.

## AN ACT

CONCERNING THE CREATION OF THE 911 SERVICES ENTERPRISE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

**SECTION 1.** In Colorado Revised Statutes, 29-11-101, **add** (3.5), (10.3), (14.5), and (14.7) as follows:

- 29-11-101. Definitions. As used in this part 1, unless the context otherwise requires:
- (3.5) "911 Enterprise fee" means the fee imposed by the 911 services ENTERPRISE PURSUANT TO SECTION 29-11-108 (5)(a) AND (8).
- (10.3) "Department" means the department of regulatory agencies created in section 24-34-101 (1)(a).
- (14.5) "Enterprise" means the 911 services enterprise created in section 29-11-108 (2).
- (14.7) "Enterprise fund" means the 911 services enterprise cash fund CREATED IN SECTION 29-11-108 (10).
- SECTION 2. In Colorado Revised Statutes, 29-11-102.3, amend (1)(a), (1)(b), (3)(b), (3)(c)(I), and (3)(c)(III) as follows:
- 29-11-102.3. 911 surcharge imposition 911 surcharge trust cash fund rules - report - definition. (1) (a) Effective January 1, 2021, a 911 surcharge,

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

referred to in this section as the "surcharge", is hereby imposed on service users in an amount to be established annually by the commission but not to exceed fifty cents per month per 911 access connection TOGETHER WITH THE 911 ENTERPRISE FEE IMPOSED PURSUANT TO SECTION 29-11-108 (8)(a).

- (b) On or before October 1, 2020, and on or before October 1 each year thereafter, the commission shall establish, THROUGH A PUBLIC PROCEEDING, the amount of the surcharge for the next calendar year. The amount of the surcharge must be reasonably calculated to meet the needs of governing bodies to operate the 911 system PAY FOR BASIC EMERGENCY SERVICE AND PROVIDE EMERGENCY TELEPHONE SERVICE AND MUST TAKE INTO CONSIDERATION THE AMOUNT OF THE 911 ENTERPRISE FEE IMPOSED PURSUANT TO SECTION 29-11-108 (8)(a) AND THE BUDGETARY REQUIREMENTS SET FORTH IN THIS SECTION. Upon establishing the amount of the surcharge, the commission shall send notice of the new amount to all service suppliers. The new amount takes effect on the following January 1.
- (3) (b) A service supplier may deduct and retain one percent of the surcharges that are collected by the service supplier IT COLLECTS from its service users IF IT TIMELY REMITS THE COLLECTED SURCHARGES TO THE COMMISSION.
- (c) (I) (A) Remittances of surcharges received by the commission are collections for the local governing body, not general revenues of the 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 ASSEMBLY FINDS AND DECLARES THAT:
  - (a) The 911 services enterprise provides valuable benefits and services

TO TELEPHONE SERVICE USERS STATEWIDE BY FUNDING EXPENSES AND COSTS RELATED TO PROVIDING EMERGENCY TELEPHONE SERVICE AND PROVIDING TRAINING, EDUCATION, AND OTHER TYPES OF SUPPORT TO PSAPS, INCLUDING IN THE PROVISION OF 911 SERVICES AND EMERGENCY NOTIFICATION SERVICES;

- (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;
- (c) Consistent with the determination of the Colorado supreme court IN NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY, 896 P.2d 859 (Colo. 1995), THAT THE POWER TO IMPOSE TAXES IS INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, IT IS THE CONCLUSION OF THE GENERAL ASSEMBLY THAT THE CHARGES IMPOSED BY THE ENTERPRISE IS A FEE, NOT A TAX, BECAUSE THE CHARGES ARE IMPOSED FOR THE SPECIFIC PURPOSE OF ALLOWING THE ENTERPRISE TO DEFRAY THE COSTS OF PROVIDING THE BENEFITS AND SERVICES SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION TO TELEPHONE SERVICE USERS AND THE CHARGES ARE IMPOSED AT RATES THAT ARE REASONABLY CALCULATED BASED ON THE COST OF THE 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 24-77-102(17), OR STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DOES NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED BY SECTION 20 ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I); AND
- (e) No other enterprise created simultaneously or within the preceding FIVE YEARS SERVES PRIMARILY THE SAME PURPOSE AS THE 911 SERVICES ENTERPRISE, AND THE 911 SERVICES ENTERPRISE WILL GENERATE REVENUE FROM CHARGES OF LESS THAN ONE HUNDRED MILLION DOLLARS TOTAL IN ITS FIRST FIVE FISCAL YEARS. ACCORDINGLY, THE CREATION OF THE 911 SERVICES ENTERPRISE DOES NOT REQUIRE VOTER APPROVAL PURSUANT TO SECTION 24-77-108.
- (2) (a) The 911 services enterprise is created in the department. The ENTERPRISE IS AND OPERATES AS A GOVERNMENT-OWNED BUSINESS WITHIN THE DEPARTMENT IN ORDER TO EXECUTE ITS BUSINESS PURPOSES SPECIFIED IN SUBSECTION (5) OF THIS SECTION BY EXERCISING THE POWERS AND PERFORMING THE DUTIES AND FUNCTIONS SET FORTH IN THIS SECTION.
- (b) The enterprise is a **type 1** entity, as defined in section 24-1-105, and EXERCISES ITS POWERS AND PERFORMS ITS DUTIES AND FUNCTIONS UNDER THE DEPARTMENT.
- (3) The enterprise constitutes an enterprise for purposes of section 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL

REVENUE IN GRANTS FROM ALL COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN ENTERPRISE PURSUANT TO THIS SUBSECTION (3), THE ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

- (4) The enterprise is governed by a board of directors appointed by the governor and must have an odd number of total members. The members of the board consist of a representative of the telecommunications industry and an equal number of representatives of governing bodies serving jurisdictions with populations less than two hundred thousand people, which includes mountain resort communities and communities in the eastern plains of the state, and governing bodies serving jurisdictions with populations greater than two hundred thousand people. The majority of the board must be representatives of governing bodies.
  - (5) THE ENTERPRISE'S PRIMARY POWERS AND DUTIES ARE TO:
- (a) Impose a 911 enterprise fee on service users in accordance with subsection (8) of this section;
- (b) Distribute funding to governing bodies, PSAPs, statewide 911 organizations, or third parties for the benefit of governing bodies or PSAPs for purposes that are pre-approved by the board of directors of the enterprise and are consistent with applicable statutes, regulations, ordinances, policies, and procedures. The purposes may include:
- (I) Funding for training initiatives and programs selected by individual governing bodies or PSAPs for PSAP personnel in emergency call processing, emergency dispatch, emergency notification, PSAP administration, and other subjects intended to improve emergency telephone service and emergency notification service in the state, including:
- (A) Funding for training selected by the individual governing bodies or PSAPs regarding de-escalation techniques and behavioral health emergencies;
- (B) Funding for the development of training for supporting 911 callers with disabilities as determined by individual governing bodies or PSAPs:
- (C) Funding for the development of training for responding to 911 callers who speak languages other than English, including with professional or otherwise qualified interpreters and translators, as determined by individual governing bodies or PSAPs; and
  - (D) OTHER 911 RELATED TRAINING;
- (II) Public education campaigns for the public to include training programs and materials related to proper and appropriate use of 911 services and emergency notification systems, including training for

PEOPLE WITH ACCESSIBILITY CHALLENGES IN ACCESSING AND INTERACTING WITH PSAPS. Public education campaigns must use plain language that avoids metaphors and spells out or avoids the use of acronyms in order to allow easier translation of the public education campaign to languages other than English.

- (III) Cybersecurity support for services and software, including for emergency telephone services, emergency notification services, and PSAP systems;
  - (IV) GIS PROGRAMS FOR THE BENEFIT OF GOVERNING BODIES AND PSAPS;
- (V) Grant programs that the enterprise may establish for the benefit of governing bodies and PSAPs, which may be limited to reasonably-defined classes of governing bodies or PSAPs on the basis of financial need and may have a matching money requirement for receipt;
- (VI) Providing matching money for federal, state, or private grants related to basic emergency service, emergency telephone service, or emergency notification services, so long as all expenses to be paid under such grants are allowable pursuant to section 29-11-104 and 9 CFR 47, subpart I, as amended;
- (VII) Any other items of benefit for governing bodies and PSAPs as proposed by a group of those entities or by statewide associations representing Colorado 911 stakeholders, provided such expenses are allowable pursuant to section 29-11-104 and 9 CFR 47, subpart I, as from time to time amended; and
- (VIII) ANY OTHER EXPENSES NECESSARY FOR THE ADMINISTRATION OF THE ENTERPRISE AND THE EXECUTION OF ITS ACTIVITIES, INCLUDING COSTS FOR SUPPORT PERSONNEL;
- (c) Enter into any contracts necessary for professional and technical assistance or advice and to supply other services related to the conduct of the affairs of the enterprise without being subject to the requirements of the "Procurement Code", articles 101 through 112 of title 24;
- (d) By resolution, authorize and issue revenue bonds that are payable only from the fund:
- (e) Adopt, amend, or repeal policies for the regulation of its affairs and the conduct of its business consistent with this section; and
- (f) Prepare and submit an annual financial report pursuant to subsection (9)(b) of this section.
- (6) (a) In addition to the powers and duties set forth in subsection (5) of this section, the enterprise shall use revenue of the enterprise generated from sources other than the 911 enterprise fee to support emergency

TELEPHONE SERVICES AND EMERGENCY NOTIFICATION SERVICES IN THE STATE CONSISTENT WITH THE PROVISIONS OF THIS SECTION, INCLUDING FUNDING FOR:

- (I) PSAP facilities, services, systems, operations, personnel, training, maintenance, reporting, communications, and call processing and recording systems; and
- (II) OTHER EXPENSES OF PROCESSING AND DISPATCHING CALLS FOR ASSISTANCE FROM THE POINT A CALL FOR ASSISTANCE REACHES A PUBLIC OR COMMERCIAL NETWORK OR SERVICE TO THE POINT THAT THE REQUEST FOR ASSISTANCE AND RELATED INFORMATION IS COMMUNICATED TO FIRST RESPONDERS, MENTAL HEALTH PROFESSIONALS OR PARAPROFESSIONALS, OR CIVILIAN VOLUNTEERS FOR RESPONSE TO THE REPORTED INCIDENT OR CIRCUMSTANCE, OR IS DELIVERED OR COMMUNICATED TO OTHER PSAPS FOR PROCESSING OR DISPATCH.
- (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.
- (7) The enterprise does not have authority over governing bodies or PSAPs.
- (8) (a) In furtherance of its business purpose and pursuant to the authority set forth in subsection (5)(a) of this section, the enterprise shall impose the 911 enterprise fee in an amount to be established annually by the enterprise after consulting with the commission. The amount shall not exceed, together with the 911 surcharge imposed by the commission, the limitation of fifty cents per month per 911 access connection set forth in section 29-11-102.3 (1)(a). The enterprise shall establish the 911 enterprise fee before the commission establishes its surcharge pursuant to section 29-11-102.3 (1)(b). The amount of the 911 enterprise fee must be reasonably calculated based on the cost of the services provided by the enterprise and received by telephone service users, and the amount imposed per 911 access connection must be uniform, regardless of the technology used 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 enterprise fee from its service users and remit it to the commission in the same manner it collects and remits the commission's surcharge pursuant to section 29-11-102.3.
- (c) The commission shall transmit any fees it collects on behalf of the enterprise in accordance with section 29-11-102.3 (3)(c)(I)(B).
- (9) (a) THE ENTERPRISE SHALL IMPLEMENT APPROPRIATE FINANCIAL CONTROLS AND SHALL MAINTAIN A SEPARATE LEDGER ACCOUNT FOR EACH PROGRAM, PROJECT,

INITIATIVE, GRANT, OR OTHER SIGNIFICANT CATEGORY OF ADMINISTRATIVE EXPENSES AND SOURCE OF REVENUE.

- (b) (I) On or before June 30, 2026, and on or before June 30 of each year thereafter, the enterprise shall prepare and submit an annual financial report to the legislative council staff and the joint budget committee of the general assembly.
- (II) The financial report prepared by the enterprise pursuant to subsection (9)(b)(I) of this section must include the enterprise's projected revenue and expenditures and proposed budget for the following fiscal year.
- (III) THE ENTERPRISE SHALL POST A COPY OF THE ENTERPRISE'S FINANCIAL REPORT ON THE ENTERPRISE'S PUBLIC WEBSITE.
- (10) (a) The 911 services enterprise cash fund is created in the state treasury. The fund consists of money credited to the fund in accordance with this section.
- (b) The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund.
- (c) Money in the fund is continuously appropriated. The enterprise may expend money from the fund for the purposes outlined in subsection (5) of this section.
- (d) The Board May Seek, accept, and expend gifts, grants, or donations from private or public sources for the purposes of this section, so long as the combination of grants from state and local governments is less than ten percent of the enterprise's total annual revenue.
  - (e) THE FUND IS SUBJECT TO ALL STATE FISCAL AND ACCOUNTING RULES.
- **SECTION 4.** In Colorado Revised Statutes, 40-2-131, **amend** (1)(f) and (1)(g); and **add** (1)(h) as follows:
- **40-2-131. State of 911 report.** (1) Notwithstanding section 24-1-136 (11)(a)(I), on or before September 15, 2018, and on or before September 15 of each year thereafter, the commission shall publish a "state of 911" report and submit the report to the members of the general assembly. The report must provide an overall understanding of the state of 911 service in Colorado and must address, at a minimum, the following:
- (f) The state's planning for, transition to, and implementation of next generation 911 AND OTHER OR FUTURE STANDARDS-BASED IMPROVEMENTS TO 911, including a projected timeline for full statewide implementation; and
- (g) A discussion of 911 funding and fiscal outlook, including current funding sources and whether they are adequate for 911 service in the state, and potential

funding mechanisms for the transition to and implementation of next generation 911 AND OTHER OR FUTURE STANDARDS-BASED IMPROVEMENTS TO 911; AND

- (h) The activity of the 911 services enterprise created in Section 29-11-108, including use of the revenue of the 911 services enterprise.
- **SECTION 5. Appropriation.** (1) For the 2024-25 state fiscal year, \$107,695 is appropriated to the department of regulatory agencies. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:
- (a) \$61,595 for use by the public utilities commission for personal services, which amount is based on an assumption that the commission will require an additional 0.8 FTE;
  - (b) \$7,694 for use by the public utilities commission for operating expenses; and
  - (c) \$38,406 for the purchase of legal services.
- (2) For the 2024-25 state fiscal year, \$38,406 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of regulatory agencies under subsection (1)(c) of this section and is based on an assumption that the department of law will require an additional 0.2 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of regulatory agencies.
- **SECTION 6.** Act subject to petition effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this 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 November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 31, 2024