## Second Regular Session Seventieth General Assembly STATE OF COLORADO

### REREVISED

This Version Includes All Amendments Adopted in the Second House HOUSE BILL 16-1414

LLS NO. 16-1193.01 Jennifer Berman x3286

#### **HOUSE SPONSORSHIP**

Rankin, Hamner, Young

### SENATE SPONSORSHIP

Steadman, Grantham, Lambert

House Committees Appropriations Senate Committees Appropriations

# A BILL FOR AN ACT

101	CONCERNING THE ASSESSMENT OF A MONTHLY SURCHARGE ON
102	CUSTOMERS OF VOICE TELECOMMUNICATIONS PROVIDERS TO
103	FUND TELECOMMUNICATIONS RELAY SERVICES FOR TELEPHONE
104	USERS WITH DISABILITIES, AND, IN CONNECTION THEREWITH,
105	MAKING AN APPROPRIATION.

### **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://www.leg.state.co.us/billsummaries.)

Joint Budget Committee. Telecommunications relay services are telecommunications services that provide 2-way communication for

HOUSE 3rd Reading Unamended April 1, 2016

Amended 2nd Reading

HOUSE

March 31, 2016

SENATE Amended 2nd Reading April 6, 2016 individuals with hearing or speech disabilities. Telecommunications relay services are funded in Colorado through the Colorado disabled telephone users fund (fund). Money in the fund is provided through a surcharge that the public utilities commission (commission) assesses on each telephone landline in Colorado. **Section 4** of the bill renames the fund the Colorado telephone users with disabilities fund, with conforming amendments in **sections 1, 5, and 6.** 

Sections 2 and 3 apply the surcharge to customers of mobile wireless providers, referred to as commercial mobile radio service providers, and voice-over-internet protocol service providers in Colorado.

Section 7 appropriates \$172,778 in the 2016-17 state fiscal year from the Colorado telephone users with disabilities fund to the Colorado commission for the deaf and hard of hearing cash fund and reappropriates the money to the department of human services for implementation of the bill by the Colorado commission for the deaf and hard of hearing.

1	Be it enacted by the General Assembly of the State of Colorado:
2	SECTION 1. In Colorado Revised Statutes, add 29-11-102.7 as
3	<u>follows:</u>
4	29-11-102.7. Imposition of telecommunications relay service
5	surcharge on prepaid wireless - rules - definitions. (1) AS USED IN
6	THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:
7	(a) "Consumer" means a person who purchases prepaid
8	WIRELESS TELECOMMUNICATIONS SERVICE IN A RETAIL TRANSACTION.
9	(b) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.
10	(c) "PREPAID WIRELESS TRS CHARGE" MEANS THE CHARGE THAT
11	IS REQUIRED TO BE COLLECTED BY A SELLER FROM A CONSUMER UNDER
12	<u>SUBSECTION (2) OF THIS SECTION.</u>
13	(d) "Provider" means a person that provides prepaid
14	WIRELESS TELECOMMUNICATIONS SERVICE.
15	(e) "RETAIL TRANSACTION" MEANS THE PURCHASE OF PREPAID
16	WIRELESS TELECOMMUNICATIONS SERVICE FROM A SELLER FOR ANY
17	PURPOSE OTHER THAN RESALE.

1	(f) "Seller" means a person who sells prepaid wireless
2	TELECOMMUNICATIONS SERVICE TO ANOTHER PERSON.
3	(g) "TRS CHARGE" MEANS A TELECOMMUNICATIONS RELAY
4	SERVICE SURCHARGE IMPOSED PURSUANT TO SECTION 40-17-103(3)(b.5).
5	<u>C.R.S.</u>
6	(2) (a) A PREPAID WIRELESS TRS CHARGE OF ONE-TENTH OF ONE
7	PERCENT OF THE PRICE OF THE RETAIL TRANSACTION IS HEREBY IMPOSED
8	ON EACH RETAIL TRANSACTION.
9	(b) (I) Along with the prepaid wireless E911 charge, as
10	DEFINED IN SECTION 29-11-102.5(1)(c) AND COLLECTED UNDER SECTION
11	29-11-102.5(2), THE SELLER SHALL COLLECT THE PREPAID WIRELESS TRS
12	CHARGE FROM THE CONSUMER ON EACH RETAIL TRANSACTION OCCURRING
13	in this state. The amount of the prepaid wireless TRS charge
14	SHALL BE EITHER DISCLOSED TO THE CONSUMER OR SEPARATELY STATED
15	ON AN INVOICE, RECEIPT, OR OTHER SIMILAR DOCUMENT THE SELLER
16	<u>PROVIDES TO THE CONSUMER. THE AMOUNT OF THE PREPAID WIRELESS</u>
17	TRS CHARGE AND THE AMOUNT OF THE PREPAID WIRELESS E911 CHARGE
18	MAY BE STATED ON AN INVOICE, RECEIPT, OR OTHER DOCUMENTATION
19	TOGETHER AS A SINGLE LINE ITEM AND AS A SINGLE CHARGE. A SELLER
20	SHALL ELECT TO EITHER DISCLOSE OR SEPARATELY STATE THE CHARGE
21	AND SHALL NOT CHANGE THE ELECTION WITHOUT THE WRITTEN CONSENT
22	OF THE DEPARTMENT.
23	(II) For purposes of this paragraph (b), a retail
24	TRANSACTION OCCURS IN COLORADO IF ONE OF THE CIRCUMSTANCES SET
25	FORTH IN SECTION 29-11-102.5 (2) (b) (II) IS MET.
26	(c) The prepaid wireless TRS charge is the liability of the
27	CONSUMER AND NOT OF THE SELLER OR OF ANY PROVIDER; EXCEPT THAT

1	THE SELLER SHALL BE LIABLE TO REMIT ALL PREPAID WIRELESS TRS
2	CHARGES THAT THE SELLER COLLECTS FROM CONSUMERS AS PROVIDED IN
3	SUBSECTION (3) OF THIS SECTION. THE SELLER IS DEEMED TO HAVE
4	COLLECTED THE CHARGE NOTWITHSTANDING THAT THE AMOUNT OF THE
5	CHARGE HAS NEITHER BEEN SEPARATELY DISCLOSED NOR STATED ON AN
6	INVOICE, RECEIPT, OR OTHER SIMILAR DOCUMENT THE SELLER PROVIDES
7	TO THE CONSUMER.
8	(d) The amount of the prepaid wireless TRS charge that is
9	COLLECTED BY A SELLER FROM A CONSUMER SHALL NOT BE INCLUDED IN
10	THE BASE FOR MEASURING ANY TAX, FEE, SURCHARGE, OR OTHER CHARGE
11	THAT IS IMPOSED BY THIS STATE, ANY POLITICAL SUBDIVISION OF THIS
12	STATE, OR ANY INTERGOVERNMENTAL AGENCY.
13	(3) (a) The seller shall remit any collected prepaid
14	WIRELESS TRS CHARGES TO THE DEPARTMENT AT THE TIMES AND IN THE
15	MANNER PROVIDED IN PART 1 OF ARTICLE 26 OF TITLE 39, C.R.S. THE
16	DEPARTMENT SHALL ESTABLISH, BY RULE, REGISTRATION AND PAYMENT
17	PROCEDURES THAT SUBSTANTIALLY COINCIDE WITH THE REGISTRATION
18	AND PAYMENT PROCEDURES THAT APPLY UNDER PART 1 OF ARTICLE $26 \text{ of}$
19	TITLE 39, C.R.S. A SELLER MAY REMIT PREPAID WIRELESS TRS CHARGES
20	AND PREPAID WIRELESS E911 CHARGES, AS DEFINED IN SECTION
21	<u>29-11-102.5 (1) (c), TOGETHER TO THE DEPARTMENT OF REVENUE AS A</u>
22	SINGLE REMITTANCE. A SELLER IS SUBJECT TO THE PENALTIES UNDER PART
23	<u>1 OF ARTICLE 26 OF TITLE 39, C.R.S., FOR FAILURE TO COLLECT OR REMIT</u>
24	<u>A PREPAID WIRELESS TRS CHARGE IN ACCORDANCE WITH THIS SECTION.</u>
25	(b) EFFECTIVE SEPTEMBER 1, 2016, A SELLER MAY DEDUCT AND
26	RETAIN THREE AND THREE-TENTHS PERCENT OF THE PREPAID WIRELESS
27	TRS CHARGES THAT ARE COLLECTED BY THE SELLER FROM CONSUMERS.

1	(c) The audit and appeal procedures applicable to the
2	STATE SALES TAX UNDER PART 1 OF ARTICLE 26 OF TITLE 39, C.R.S., SHALL
3	APPLY TO PREPAID WIRELESS TRS CHARGES.
4	(d) THE DEPARTMENT SHALL ESTABLISH PROCEDURES BY WHICH
5	A SELLER MAY DOCUMENT THAT A TRANSACTION IS NOT A RETAIL
6	TRANSACTION, WHICH PROCEDURES SHALL SUBSTANTIALLY COINCIDE
7	WITH THE PROCEDURES FOR DOCUMENTING THAT A SALE WAS WHOLESALE
8	FOR PURPOSES OF THE SALES TAX UNDER PART 1 OF ARTICLE 26 OF TITLE
9	<u>39, C.R.S.</u>
10	(4) THE DEPARTMENT SHALL TRANSMIT THE MONEY COLLECTED
11	PURSUANT TO THIS SECTION TO THE STATE TREASURER WHO SHALL CREDIT
12	THE MONEY TO THE COLORADO TELEPHONE USERS WITH DISABILITIES
13	FUND CREATED IN SECTION 40-17-104 (1), C.R.S.
14	(5) The prepaid wireless TRS charge imposed by this
15	SECTION IS THE ONLY DIRECT TELECOMMUNICATIONS RELAY SERVICE
16	FUNDING OBLIGATION IMPOSED WITH RESPECT TO PREPAID WIRELESS
17	TELECOMMUNICATIONS SERVICE IN THIS STATE. NO TAX, FEE, SURCHARGE,
18	OR OTHER CHARGE TO FUND TELECOMMUNICATIONS RELAY SERVICE SHALL
19	BE IMPOSED BY THIS STATE, ANY POLITICAL SUBDIVISION OF THIS STATE,
20	OR ANY INTERGOVERNMENTAL AGENCY UPON A PROVIDER, SELLER, OR
21	CONSUMER WITH RESPECT TO THE SALE, PURCHASE, USE, OR PROVISION OF
22	PREPAID WIRELESS TELECOMMUNICATIONS SERVICE.
23	SECTION 2. In Colorado Revised Statutes, amend 40-17-101 as
24	follows:
25	40-17-101. Legislative declaration. (1) The general assembly
26	hereby finds, determines, and declares that many of Colorado's residents
27	are unable to utilize telecommunications facilities without assistance and

1 are therefore disabled telephone users Disabled WITH DISABILITIES. 2 Telephone users WITH DISABILITIES include but are not limited to, the 3 PEOPLE WHO ARE deaf, the hard of hearing, the speech-impaired, the deaf-4 blind, BLIND AND VISUALLY IMPAIRED, and those with central nervous 5 system disabilities. **Disabled** Telephone users WITH DISABILITIES 6 constitute a substantial and valuable resource within the United States and 7 the state of Colorado, and this segment of our population needs access to 8 telecommunications facilities in order to be contributing and productive 9 members of our society. The role of telecommunications in our world 10 today is inestimable. Telecommunications is the primary vehicle of 11 commerce and industry, the means to convey and receive information and 12 knowledge, and is one of the ways we communicate with others on a 13 personal as well as business level. Telecommunications results in greater 14 independence and self-sufficiency by expanding the channels for 15 employment opportunities, the market for goods and services, human 16 contact, and fellowship. Disabled Telephone users WITH DISABILITIES 17 should have equal access to this critical tool, not only for their own sake, 18 but for the benefit of society at large. The ability to use 19 telecommunications will enhance the business and personal lives of 20 disabled telephone users WITH DISABILITIES while stimulating and 21 promoting economic development in Colorado. The general assembly 22 recognizes the vitality and potential of Colorado's disabled INDIVIDUALS 23 WITH DISABILITIES, including disabled telephone users WITH DISABILITIES. 24 Telecommunications is vital to our society, and SUPPORTING its 25 availability to disabled telephone users WITH DISABILITIES is an A 26 BENEFICIAL investment of benefit to FOR all of Colorado.

27

(2) The general assembly therefore concludes that it is appropriate

1	to provide access to telecommunications for disabled telephone users
2	WITH DISABILITIES by establishing telecommunications relay services that
3	replace and expand the dual party relay system required pursuant to this
4	article as said THE article existed prior to July 1, 1992.
5	SECTION 3. In Colorado Revised Statutes, 40-17-102, amend
6	(4); <b>repeal</b> (2); and <b>add</b> (5) as follows:
7	40-17-102. Definitions. As used in this article, unless the context
8	otherwise requires:
9	
10	(2) "Local exchange company" means a telecommunications
11	company that provides telephone access lines to members of the general
12	public who are its customers.
13	(4) "Telephone access line" means the access to the local
14	exchange network from the premises of an end user customer of a local
15	exchange company to the telecommunications network to effect the
16	transfer of information EACH VOICE GRADE CHANNEL OR ITS EQUIVALENT
17	ASSIGNED TO A RESIDENTIAL OR COMMERCIAL END USER CUSTOMER BY A
18	VOICE SERVICE PROVIDER, REGARDLESS OF THE TECHNOLOGY USED TO
19	PROVIDE THE SERVICE.
20	(5) "VOICE SERVICE PROVIDER" MEANS A COMPANY THAT PROVIDES
21	TELEPHONE ACCESS LINES TO MEMBERS OF THE GENERAL PUBLIC WHO ARE
22	ITS CUSTOMERS FOR VOICE SERVICE.
23	SECTION 4. In Colorado Revised Statutes, 40-17-103, amend
24	(3) introductory portion, (3) (a), (3) (b), (3) (c), (3) (e), and (3) (f); and
25	add (3) (g) as follows:
26	40-17-103. Commission - powers and duties - rules. (3) The
27	commission shall, through the promulgation of rules, develop and

implement a mechanism to recover its costs and the cost to local
 exchange companies VOICE SERVICE PROVIDERS in implementing and
 administering telecommunications relay services required by this article.
 The mechanism shall MUST, at a minimum, provide for the following:

- 5 (a) (I) The assessment of a monthly surcharge NOT TO EXCEED 6 FIFTEEN CENTS on each telephone access line, which WHEREBY EACH 7 VOICE GRADE CHANNEL OF A MULTILINE VOICE COMMUNICATIONS SERVICE 8 THAT IS CAPABLE OF SIMULTANEOUS OUTBOUND CALLING CONSTITUTES A 9 SEPARATE TELEPHONE ACCESS LINE; HOWEVER, THE NUMBER OF 10 TELEPHONE ACCESS LINES FOR WHICH A CUSTOMER MAY BE ASSESSED A 11 MONTHLY SURCHARGE CANNOT EXCEED THE NUMBER OF OUTBOUND VOICE 12 CALLS THAT THE VOICE SERVICE PROVIDER HAS ENABLED AND ACTIVATED 13 TO BE MADE SIMULTANEOUSLY.
- (II) THE MONTHLY surcharge may be adjusted by the commission
  in accordance with paragraph (d) of this subsection (3).
- 16 (III) WITHOUT EXCEEDING THE MAXIMUM MONTHLY SURCHARGE
  17 SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a), the monthly
  18 surcharge shall MUST be an amount sufficient to:

(A) Reimburse the commission for its costs in developing,
 implementing, and administering telecommunications relay services;
 which administrative costs shall not exceed three percent of the total
 costs, to

- (B) Reimburse local exchange companies VOICE SERVICE
   PROVIDERS for their administrative costs in imposing and collecting the
   surcharge; and to
- 26 (C) Cover the costs of providers in rendering the service; \_\_\_\_\_
  27 (D) PURSUANT TO SECTION 40-17-104, COVER ANNUAL
  - -8-

APPROPRIATIONS TO THE READING SERVICES FOR THE BLIND CASH FUND
 AND THE COLORADO COMMISSION FOR THE DEAF AND HARD OF HEARING
 CASH <u>FUND</u>; AND

4 (E) REIMBURSE THE DEPARTMENT OF REVENUE FOR ITS
5 ADMINISTRATIVE COSTS IN COLLECTING PREPAID WIRELESS TRS CHARGES
6 ON PREPAID WIRELESS PHONES PURSUANT TO SECTION 29-11-102.7, C.R.S.
7 (b) A requirement that the monthly surcharge be imposed upon
8 and collected from each individual telephone access line provided by a
9 local exchange company VOICE SERVICE PROVIDER;

10 (b.5) WITH RESPECT TO PREPAID WIRELESS SERVICE, A
11 REQUIREMENT THAT A SELLER COLLECT A PREPAID WIRELESS TRS CHARGE
12 FROM A CONSUMER, AS THOSE TERMS ARE DEFINED IN SECTION
13 29-11-102.7, C.R.S., AND REMIT THE CHARGE TO THE DEPARTMENT OF
14 REVENUE WHICH SHALL TRANSMIT THE MONEY TO THE STATE TREASURER
15 FOR DEPOSIT INTO THE COLORADO TELEPHONE USERS WITH DISABILITIES
16 FUND, CREATED IN SECTION 40-17-104 (1).

17 (c) A requirement that the surcharge be listed OR INCLUDED as a 18 separate item that appears on each customer's monthly billing statement; 19 (e) The authority of a local exchange company VOICE SERVICE 20 **PROVIDER** to deduct and retain as reimbursement for its administrative 21 costs an amount not to exceed three-quarters of one percent of the amount 22 of total monthly surcharges collected by such local exchange company A 23 VOICE SERVICE PROVIDER. In addition, the mechanism shall MUST include 24 a requirement that any remaining amount of moneys MONEY be 25 transmitted to the state treasurer who shall credit the same MONEY to the 26 Colorado disabled telephone users WITH DISABILITIES fund created by 27 section 40-17-104.

-9-

1 (f) A requirement that each local exchange company VOICE 2 SERVICE PROVIDER maintain a record of the monthly surcharge imposed 3 on each customer and collected by the local exchange company VOICE 4 SERVICE PROVIDER. The record of any monthly surcharge imposed and 5 collected shall be maintained for three years from the date of billing. The 6 commission may require an audit of a local exchange company's VOICE 7 SERVICE PROVIDER'S records, which audit shall MUST be at the 8 commission's expense.

9 (g) THE SURCHARGE IMPOSED BY THIS SECTION SHALL NOT BE
10 IMPOSED ON THE PROVIDER OR THE CONSUMER <u>WITH RESPECT TO</u>
11 FEDERALLY SUPPORTED LIFELINE SERVICE.

12

13

**SECTION 5.** In Colorado Revised Statutes, 40-17-104, **amend** (1) and (4) (a) as follows:

14 40-17-104. Colorado telephone users with disabilities fund -15 **creation - purpose.** (1) Except as otherwise authorized to be retained by 16 section 40-17-103 (3) (e), all moneys MONEY collected by the local 17 exchange companies VOICE SERVICE PROVIDERS in accordance with said 18 section 40-17-103 shall be transmitted to the state treasurer, who shall 19 credit the same MONEY to the Colorado disabled telephone users WITH 20 DISABILITIES fund, which fund is hereby created and is referred to in this 21 article as the "fund". On July 1, 1992, any moneys in the Colorado 22 disabled telephone users fund created by section 40-17-103, as said 23 section existed prior to July 1, 1992, shall be credited to the fund as 24 created by this section. The general assembly shall make annual 25 appropriations out of such THE fund for the administration of the fund and 26 shall make annual appropriations to the reading services for the blind cash 27 fund, created in section 24-90-105.5 (5), C.R.S., for use by the state

1 librarian in support of privately operated reading services for the PEOPLE 2 WHO ARE blind. The moneys MONEY in such THE fund not used for 3 administration of such THE fund, not used for the reading services for the 4 blind cash fund, and not used for the Colorado commission for the deaf 5 and hard of hearing cash fund created in section 26-21-107, C.R.S., are 6 Is hereby continuously appropriated to the public utilities commission for 7 the reimbursement of providers who render telecommunications services 8 authorized by this article.

9 (4) (a) Notwithstanding any provision of subsection (1) of this 10 section to the contrary, the general assembly shall make annual 11 appropriations from the Colorado <del>disabled</del> telephone users WITH 12 DISABILITIES fund to the Colorado commission for the deaf and hard of 13 hearing cash fund, created in section 26-21-107, C.R.S.

SECTION <u>6.</u> In Colorado Revised Statutes, add 40-17-105 as
 follows:

40-17-105. Noneffect of article on method of regulation.
(1) NOTHING IN THIS ARTICLE:

18 (a) AFFECTS THE METHOD OF REGULATION OF PROVIDERS OF
19 TELECOMMUNICATIONS OR VOICE-OVER-INTERNET-PROTOCOL SERVICE BY
20 THE COMMISSION, AS SET FORTH IN ARTICLE 15 OF THIS TITLE; OR

(b) GRANTS TO THE COMMISSION ANY ABILITY TO ASSERT
JURISDICTION REGARDING ANY TELECOMMUNICATIONS OR
VOICE-OVER-INTERNET-PROTOCOL SERVICE PROVIDER FOR ANY PURPOSE
OTHER THAN THE PURPOSES SPECIFICALLY DESCRIBED IN THIS ARTICLE.
SECTION <u>7.</u> In Colorado Revised Statutes, 24-75-402, amend

 $26 \qquad (5) (s) \text{ as follows:}$ 

27 24-75-402. Cash funds - limit on uncommitted reserves -

-11-

reduction in amount of fees - exclusions - repeal. (5) Notwithstanding
 any provision of this section to the contrary, the following cash funds are
 excluded from the limitations specified in this section:

4 (s) The Colorado disabled telephone users WITH DISABILITIES fund
5 created in section 40-17-104, C.R.S., until this paragraph (s) is repealed,
6 effective July 1, 2017;

7 SECTION <u>8.</u> In Colorado Revised Statutes, 26-21-106, amend
8 (6) as follows:

9 26-21-106. Powers, functions, and duties of the commission -10 equipment distribution program. (6) The commission shall establish 11 and maintain an active outreach consultant for technical assistance to 12 improve and ensure equivalent access to auxiliary services by critical state 13 and local government agencies, private agencies, and other entities and 14 to increase awareness of the programs for and rights of INDIVIDUALS WHO 15 ARE deaf and hard of hearing individuals from moneys MONEY 16 appropriated by the general assembly from the Colorado disabled 17 telephone users WITH DISABILITIES fund established pursuant to section 18 40-17-104, C.R.S.

SECTION <u>9.</u> Appropriation. (1) For the 2016-17 state fiscal
 year, \$172,778 is appropriated to the Colorado commission for the deaf
 and hard of hearing cash fund created in section 26-21-107 (1), C.R.S.
 This appropriation is from the Colorado telephone users with disabilities
 fund created in section 40-17-104 (1), C.R.S. The department of
 regulatory agencies is responsible for the accounting related to this
 appropriation.

26 (2) For the 2016-17 state fiscal year, \$172,778 is appropriated to
27 the department of human services. This appropriation is from

-12-

reappropriated funds in the Colorado commission for the deaf and hard
of hearing cash fund under subsection (1) of this section, and is based on
an assumption that the department will require an additional 2.0 FTE. To
implement this act, the department may use this appropriation for the
Colorado commission for the deaf and hard of hearing.

SECTION <u>10.</u> Effective date - applicability. This act takes
 effect <u>September 1, 2016, and applies to surcharges assessed on or after</u>
 <u>said date; except that section 9 of the bill takes effect on July 1, 2016.</u>
 SECTION <u>11.</u> Safety clause. The general assembly hereby finds,
 determines, and declares that this act is necessary for the immediate

11 preservation of the public peace, health, and safety.