

1 To: Senator Anderson, Chair
 2 Committee on Jobs, Energy and Community Development
 3 Senator Kelley,
 4 Chair of the Subcommittee on Telecommunications and
 5 Technology, to which was referred

6 S.F. No. 1045: A bill for an act relating to public
 7 safety; increasing 911 emergency telecommunications service fee;
 8 imposing certain restrictions on public subsidy to telephone
 9 companies for providing 911 emergency telephone service;
 10 increasing distribution to pay costs of public safety answering
 11 points; authorizing sale of Metropolitan Council bonds to
 12 implement phases two and three of the 800-MHz public safety
 13 radio system; providing for levy of property taxes to secure
 14 payment of system operating costs; appropriating money; amending
 15 Minnesota Statutes 2004, sections 403.11, subdivisions 1, 3, 3a;
 16 403.113, subdivision 1; 403.27, subdivisions 1, 3; 403.30,
 17 subdivisions 1, 3; 403.31, subdivision 6.

18 Reports the same back with the recommendation that the bill
 19 be amended as follows:

20 Page 2, line 20, delete the new language and reinstate the
 21 stricken language

22 Page 4, line 9, delete the new language and reinstate the
 23 stricken language

24 Page 8, lines 22 and 31, delete "13" and insert "..."

25 And when so amended that the bill be recommended to pass
 26 and be referred to the full committee.

27
 28 (Subcommittee Chair)

30 March 30, 2005.....
 31 (Date of Subcommittee action)

Senators Ranum, Foley, McGinn, Kelley and Senjem introduced--
S.F. No. 1045: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act
2 relating to public safety; increasing 911 emergency
3 telecommunications service fee; imposing certain
4 restrictions on public subsidy to telephone companies
5 for providing 911 emergency telephone service;
6 increasing distribution to pay costs of public safety
7 answering points; authorizing sale of Metropolitan
8 Council bonds to implement phases two and three of the
9 800-MHz public safety radio system; providing for levy
10 of property taxes to secure payment of system
11 operating costs; appropriating money; amending
12 Minnesota Statutes 2004, sections 403.11, subdivisions
13 1, 3, 3a; 403.113, subdivision 1; 403.27, subdivisions
14 1, 3; 403.30, subdivisions 1, 3; 403.31, subdivision 6.

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

16 Section 1. Minnesota Statutes 2004, section 403.11,
17 subdivision 1, is amended to read:

18 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]

19 (a) Each customer of a wireless or wire-line telecommunications
20 service provider that furnishes service capable of originating a
21 911 emergency telephone call is assessed a fee to cover the
22 costs of ongoing maintenance and related improvements for
23 trunking and central office switching equipment for 911
24 emergency telecommunications service, plus administrative and
25 staffing costs of the commissioner related to managing the 911
26 emergency telecommunications service program. Recurring charges
27 by a wire-line telecommunications service provider for updating
28 the information required by section 403.07, subdivision 3, must
29 be paid by the commissioner if the wire-line telecommunications
30 service provider is included in an approved 911 plan and the

1 charges are made pursuant to ~~tariff, price-list, or~~ contract.
2 The fee assessed under this section must also be used for the
3 purpose of offsetting the costs, including administrative and
4 staffing costs, incurred by the State Patrol Division of the
5 Department of Public Safety in handling 911 emergency calls made
6 from wireless phones.

7 (b) Money remaining in the 911 emergency telecommunications
8 service account after all other obligations are paid must not
9 cancel and is carried forward to subsequent years and may be
10 appropriated from time to time to the commissioner to provide
11 financial assistance to counties for the improvement of local
12 emergency telecommunications services. The improvements may
13 include providing access to 911 service for telecommunications
14 service subscribers currently without access and upgrading
15 existing 911 service to include automatic number identification,
16 local location identification, automatic location
17 identification, and other improvements specified in revised
18 county 911 plans approved by the commissioner.

19 (c) The fee may not be less than eight cents nor more than
20 ~~40~~ 65 cents a month for each customer access line or other basic
21 access service, including trunk equivalents as designated by the
22 Public Utilities Commission for access charge purposes and
23 including wireless telecommunications services. With the
24 approval of the commissioner of finance, the commissioner of
25 public safety shall establish the amount of the fee within the
26 limits specified and inform the companies and carriers of the
27 amount to be collected. When the revenue bonds authorized under
28 section 403.27, subdivision 1, have been fully paid or defeased,
29 the commissioner shall reduce the fee to reflect that debt
30 service on the bonds is no longer needed. The commissioner
31 shall provide companies and carriers a minimum of 45 days'
32 notice of each fee change. The fee must be the same for all
33 customers.

34 (d) The fee must be collected by each wireless or wire-line
35 telecommunications service provider subject to the fee. Fees
36 are payable to and must be submitted to the commissioner monthly

1 before the 25th of each month following the month of collection,
2 except that fees may be submitted quarterly if less than \$250 a
3 month is due, or annually if less than \$25 a month is due.

4 Receipts must be deposited in the state treasury and credited to
5 a 911 emergency telecommunications service account in the
6 special revenue fund. The money in the account may only be used
7 for 911 telecommunications services.

8 (e) This subdivision does not apply to customers of
9 interexchange carriers.

10 (f) The installation and recurring charges for integrating
11 wireless 911 calls into enhanced 911 systems must be paid by the
12 commissioner if the 911 service provider is included in the
13 statewide design plan and the charges are made pursuant to
14 ~~tariff, price list, or~~ contract.

15 (g) Notwithstanding any provision of this chapter to the
16 contrary, the commissioner need not contract for or agree to pay
17 for any services that a wire-line or wireless telecommunication
18 service provider is required by federal law or federal
19 regulation to provide.

20 Sec. 2. Minnesota Statutes 2004, section 403.11,
21 subdivision 3, is amended to read:

22 Subd. 3. [METHOD OF PAYMENT.] (a) Any wireless or
23 wire-line telecommunications service provider incurring
24 reimbursable costs under subdivision 1 shall submit an invoice
25 itemizing rate elements by county or service area to the
26 commissioner for 911 services furnished under ~~tariff, price~~
27 ~~list, or~~ contract. Any wireless or wire-line telecommunications
28 service provider is eligible to receive payment for 911 services
29 rendered according to the terms and conditions specified in the
30 contract. Competitive local exchange carriers holding
31 certificates of authority from the Public Utilities Commission
32 are eligible to receive payment for recurring 911 services
33 provided after July 1, 2001. The commissioner shall pay the
34 invoice within 30 days following receipt of the invoice unless
35 the commissioner notifies the service provider that the
36 commissioner disputes the invoice.

1 (b) The commissioner shall estimate the amount required to
2 reimburse wireless and wire-line telecommunications service
3 providers for the state's obligations under subdivision 1 and
4 the governor shall include the estimated amount in the biennial
5 budget request.

6 Sec. 3. Minnesota Statutes 2004, section 403.11,
7 subdivision 3a, is amended to read:

8 Subd. 3a. [TIMELY CERTIFICATION.] A certification must be
9 submitted to the commissioner no later than two-years 90 days
10 after commencing a new or additional eligible 911 service. Any
11 ~~wireless-or-wire-line-telecommunications-service-provider~~
12 ~~incurring-reimbursable-costs-under-this-section-at-any-time~~
13 ~~before-January-17-2003,-may-certify-these-costs-for-payment-to~~
14 ~~the-commissioner-according-to-this-section-for-a-period-of-90~~
15 ~~days-after-January-17-2003.--During-this-period,-the~~
16 ~~commissioner-shall-reimburse-any-wireless-or-wire-line~~
17 ~~telecommunications-service-provider-for-approved,-certified~~
18 ~~costs-without-regard-to-any-contrary-provision-of-this~~
19 ~~subdivision~~ Each applicable contract must provide that, if
20 certified expenses under the contract deviate from estimates in
21 the contract by more than ten percent, the commissioner may
22 reduce the level of service without incurring any termination
23 fees.

24 Sec. 4. Minnesota Statutes 2004, section 403.113,
25 subdivision 1, is amended to read:

26 Subdivision 1. [FEE.] (a) Each customer receiving service
27 from a wireless or wire-line telecommunications service provider
28 is assessed a fee to fund implementation, operation,
29 maintenance, enhancement, and expansion of enhanced 911 service,
30 including acquisition of necessary equipment and the costs of
31 the commissioner to administer the program. The actual fee
32 assessed under section 403.11 and the enhanced 911 service fee
33 must be collected as one amount and may not exceed the amount
34 specified in section 403.11, subdivision 1, paragraph (c).

35 (b) The enhanced 911 service fee must be collected and
36 deposited in the same manner as the fee in section 403.11 and

1 used solely for the purposes of paragraph (a) and subdivision 3.

2 (c) The commissioner, in consultation with counties and 911
3 system users, shall determine the amount of the enhanced 911
4 service fee. The fee must include at least ~~ten~~ 20 cents per
5 month to be distributed under subdivision 2. If a greater
6 amount is appropriated, the greater amount must be distributed.

7 The commissioner shall inform wireless and wire-line
8 telecommunications service providers that provide service
9 capable of originating a 911 emergency telephone call of the
10 total amount of the 911 service fees in the same manner as
11 provided in section 403.11.

12 Sec. 5. Minnesota Statutes 2004, section 403.27,
13 subdivision 1, is amended to read:

14 Subdivision 1. [AUTHORIZATION.] (a) After consulting with
15 the commissioner of finance, the council, if requested by a vote
16 of at least two-thirds of all of the members of the Metropolitan
17 Radio Board, may, by resolution, authorize the issuance of its
18 revenue bonds for any of the following purposes to:

19 (1) provide funds for regionwide mutual aid and emergency
20 medical services communications;

21 (2) provide funds for the elements of the first phase of
22 the regionwide public safety radio communication system that the
23 board determines are of regionwide benefit and support mutual
24 aid and emergency medical services communication including, but
25 not limited to, costs of master controllers of the backbone;

26 (3) provide money for the second phase of the public safety
27 radio communication system;

28 (4) to the extent money is available after meeting the
29 needs described in clauses (1) to (3), provide money to
30 reimburse local units of government for amounts expended for
31 capital improvements to the first phase system previously paid
32 for by the local government units; or

33 (5) to the extent money is available after meeting the
34 needs described in clauses (1) to (4), provide money to
35 reimburse local units of government for up to 50 percent of the
36 cost of building a subsystem in the southeast or central

1 district of the State Patrol; or

2 (6) refund bonds issued under this section.

3 (b) After consulting with the commissioner of finance, the
4 council, if requested by a vote of at least two-thirds of all of
5 the members of the Statewide Radio Board, may, by resolution,
6 authorize the issuance of its revenue bonds to provide money for
7 the third phase of the public safety radio communication system.

8 Sec. 6. Minnesota Statutes 2004, section 403.27,
9 subdivision 3, is amended to read:

10 Subd. 3. [LIMITATIONS.] (a) The principal amount of the
11 bonds issued pursuant to subdivision 1, exclusive of any
12 original issue discount, shall not exceed the amount of
13 \$10,000,000 plus the amount the council determines necessary to
14 pay the costs of issuance, fund reserves, debt service, and pay
15 for any bond insurance or other credit enhancement.

16 (b) In addition to the amount authorized under paragraph
17 (a), the council may issue bonds under subdivision 1 in a
18 principal amount of \$3,306,300, plus the amount the council
19 determines necessary to pay the cost of issuance, fund reserves,
20 debt service, and any bond insurance or other credit
21 enhancement. The proceeds of bonds issued under this paragraph
22 may not be used to finance portable or subscriber radio sets.

23 (c) In addition to the amount authorized under paragraphs
24 (a) and (b), the council may issue bonds under subdivision 1 in
25 a principal amount of ~~\$18,000,000~~ \$8,000,000, plus the amount
26 the council determines necessary to pay the costs of issuance,
27 fund reserves, debt service, and any bond insurance or other
28 credit enhancement. The proceeds of bonds issued under this
29 paragraph must be used to pay up to 50 percent of the cost to a
30 local government unit of building a subsystem and may not be
31 used to finance portable or subscriber radio sets. The bond
32 proceeds may be used to make improvements to an existing 800-MHz
33 radio system that will interoperate with the regionwide public
34 safety radio communication system, provided that the
35 improvements conform to the board's plan and technical
36 standards. The council must time the sale and issuance of the

1 bonds so that the debt service on the bonds can be covered by
2 the ~~additional~~ revenue ~~that will become available in the fiscal~~
3 ~~year ending June 30, 2005,~~ generated under section 403.11 and
4 appropriated under section 403.30.

5 (d) In addition to the amount authorized under paragraphs
6 (a) to (c), the council may issue bonds under subdivision 1 in a
7 principal amount of up to ~~\$27,000,000~~ \$44,000,000, plus the
8 amount the council determines necessary to pay the costs of
9 issuance, fund reserves, debt service, and any bond insurance or
10 other credit enhancement. The proceeds of bonds issued under
11 this paragraph are appropriated to the commissioner of public
12 safety for phase three of the public safety radio communication
13 system. In anticipation of the receipt by the commissioner of
14 public safety of the bond proceeds, the Metropolitan Radio Board
15 may advance money from its operating appropriation to the
16 commissioner of public safety to pay for design and preliminary
17 engineering for phase three. The commissioner of public safety
18 must return these amounts to the Metropolitan Radio Board when
19 the bond proceeds are received. The council must time the sale
20 and issuance of the bonds so that the debt service on the bonds
21 can be covered by the revenue generated under section 403.11 and
22 appropriated under section 403.30.

23 (e) In addition to the amount authorized under paragraphs
24 (a) to (d), the council may issue bonds under subdivision 1 in a
25 principal amount of up to \$9,500,000, plus the amount the
26 council determines necessary to pay the costs of issuance, fund
27 reserves, debt service, and any bond insurance or other credit
28 enhancement. The proceeds of bonds issued under this paragraph
29 are appropriated to the commissioner of public safety for the
30 purpose of subdivision 1, paragraph (a), clause (5), provided
31 that the proceeds may not be used to finance portable or
32 subscriber radio sets. The council must time the sale and
33 issuance of the bonds so that the debt service on the bonds can
34 be covered by the revenue generated under section 403.11 and
35 appropriated under section 403.30.

36 Sec. 7. Minnesota Statutes 2004, section 403.30,

1 subdivision 1, is amended to read:

2 Subdivision 1. [~~STANDING OPEN~~ APPROPRIATION; COSTS
3 COVERED.] ~~For each fiscal year beginning with the fiscal year~~
4 ~~commencing July 1, 1997,~~ The amount necessary to pay the
5 following costs is appropriated to the commissioner of public
6 safety from the 911 emergency telecommunications service account
7 established under section 403.11:

8 (1) debt service costs and reserves for bonds issued
9 pursuant to section 403.27;

10 (2) repayment of the right-of-way acquisition loans;

11 (3) costs of design, construction, maintenance of, and
12 improvements to those elements of the first, second, and third
13 phases that support mutual aid communications and emergency
14 medical communication services;

15 (4) recurring charges for leased sites and equipment for
16 those elements of the first, second, and third phases that
17 support mutual aid and emergency medical communication services;
18 or

19 (5) aid to local units of government for sites and
20 equipment in support of mutual aid and emergency medical
21 communications services.

22 A portion of this appropriation equal to 13 cents a month
23 for each customer access line or other basic access service,
24 including trunk equivalents as designated by the Public
25 Utilities Commission for access charge purposes and including
26 cellular and other nonwire access services, shall only be used
27 to pay annual debt service costs and fund reserves for bonds
28 issued pursuant to section 403.27 prior to use of fee money to
29 pay other costs eligible under this subdivision. In no event
30 shall The balance of this appropriation may be used to pay
31 annual debt service costs if the portion equal to 13 cents a
32 month is insufficient. If a direct appropriation for these
33 purposes is insufficient to pay all debt service as it comes
34 due, the commissioner shall notify the Committee on Finance of
35 the senate and the Committee on Ways and Means of the house of
36 representatives of the amount of the deficiency and shall then

1 pay the necessary amount under the open appropriation in this
 2 subdivision.

3 Before each sale of bonds under section 403.27, the council
 4 shall calculate the amount of debt service payments that will be
 5 needed on bonds previously issued and shall estimate the amount
 6 of debt service payments that will be needed on the bonds
 7 scheduled to be sold. The council shall adjust the amount of
 8 bonds scheduled to be sold so that the appropriation for each
 9 fiscal year for the life of the bonds will not exceed an amount
 10 equal to four 13 cents a month for each customer access line or
 11 other basic access service, including trunk equivalents as
 12 designated by the Public Utilities Commission for access charge
 13 purposes and including cellular and other nonwire access
 14 services, in the fiscal year. Beginning July 1, 2004, this
 15 amount will increase to 13 cents a month.

16 Sec. 8. Minnesota Statutes 2004, section 403.30,
 17 subdivision 3, is amended to read:

18 Subd. 3. [MONTHLY APPROPRIATION TRANSFERS.] ~~Each month,~~
 19 ~~before the 25th day of the month,~~ The commissioner shall
 20 transmit to the Metropolitan Council ~~1/12 of its total approved~~
 21 ~~appropriation for the regionwide public safety communication~~
 22 system the amount needed to cover debt service costs and
 23 reserves for bonds issued under section 403.27.

24 Sec. 9. Minnesota Statutes 2004, section 403.31,
 25 subdivision 6, is amended to read:

26 Subd. 6. [OPERATING COSTS OF PHASES THREE TO SIX.] (a) The
 27 ongoing costs of the commissioner in operating phases three to
 28 six of the statewide public safety radio communication system
 29 shall be allocated among and paid by the following users, all in
 30 accordance with the statewide public safety radio communication
 31 system plan developed by the planning committee under section
 32 403.36:

33 (1) the state of Minnesota for its operations using the
 34 system;

35 (2) all local government units using the system; and

36 (3) other eligible users of the system.

1 (b) Each local government and other eligible users of
 2 phases three to six of the system shall pay to the commissioner
 3 all sums charged under this section, at the times and in the
 4 manner determined by the commissioner. The governing body of
 5 each local government shall take all action that may be
 6 necessary to provide the funds required for these payments and
 7 to make the payments when due.

8 (c) If the governing body of any local government using
 9 phase three, four, five, or six of the system fails to meet any
 10 payment to the commissioner under this subdivision when due, the
 11 commissioner may certify to the auditor of the county in which
 12 the government unit is located the amount required for payment
 13 of the amount due with interest at six percent per year. The
 14 auditor shall levy and extend the amount due, with interest, as
 15 a tax upon all taxable property in the government unit for the
 16 next calendar year, free from any existing limitations imposed
 17 by law or charter. This tax shall be collected in the same
 18 manner as the general taxes of the government unit, and the
 19 proceeds of the tax, when collected, shall be paid by the county
 20 treasurer to the commissioner and credited to the government
 21 unit for which the tax was levied.

22 Sec. 10. [APPROPRIATION.]

23 The sums set forth in this section are appropriated from
 24 the 911 emergency telecommunications service account in the
 25 special revenue fund to the commissioner of public safety for
 26 the purposes indicated in this section, to be available for the
 27 fiscal year ending June 30 in the years indicated.

28	<u>2006</u>	<u>2007</u>
29 (a) <u>Prior Year Obligations</u>	<u>\$3,442,000</u>	<u>\$3,064,000</u>

30 To fund a deficiency due to prior year
 31 obligations under Minnesota Statutes,
 32 section 403.11, that were estimated in
 33 the December 2004 911 fund statement to
 34 be \$6,504,700 on July 1, 2005. "Prior
 35 year obligations" means reimbursable
 36 costs under Minnesota Statutes, section
 37 403.11, subdivision 1, incurred under
 38 the terms and conditions of a contract
 39 with the state for a fiscal year
 40 preceding fiscal year 2004, that have
 41 been certified in a timely manner in
 42 accordance with Minnesota Statutes,

1 section 403.11, subdivision 3a, and
2 that are not barred by statute of
3 limitation or other defense. The
4 appropriations needed for this purpose
5 are estimated to be none in fiscal year
6 2008 and thereafter.

7 (b) Public Safety Answering Points 6,884,000 7,087,000

8 To be distributed as provided in
9 Minnesota Statutes, section 403.113,
10 subdivision 2.

11 This appropriation may only be used for
12 public safety answering points that
13 have implemented phase two wireless
14 enhanced 911 service or whose
15 governmental agency has made a binding
16 commitment to the commissioner of
17 public safety to implement phase two
18 wireless enhanced 911 service by
19 January 1, 2008.

20 (c) Medical Resource
21 Communication Centers 688,000 709,000

22 For grants to the Minnesota Emergency
23 Medical Services Regulatory Board for
24 the Metro East and Metro West Medical
25 Resource Communication Centers that
26 were in operation before January 1,
27 2000.

28 Sec. 11. [EFFECTIVE DATE.]

29 Sections 1 to 10 are effective the day following final
30 enactment and apply to contracts entered into on or after that
31 date.

Senate Counsel & Research

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January 19, 2005

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To: Senator Jane B. Ranum

From: Peter S. Wattson, Senate Counsel *P.S.W.*
651/296-3812

Subj: History of 911 Fee

You have asked for a history of the 911 emergency telephone services fee, as authorized by Minnesota Statutes § 403.11.

The 911 emergency telephone system was created by Laws 1977, ch. 311, which mandated that each metropolitan county have a 911 system by December 15, 1982, and each remaining county have a 911 system by December 15, 1986. Costs of creating and operating the systems was to be paid by appropriations from the general fund, which were \$20,000 for fiscal year 1978 and \$180,000 for fiscal year 1979.

Laws 1985, First Sp. Sess. ch. 13, § 330, for the first time imposed a fee on telephone customers to pay the costs of the 911 emergency telephone systems. The fee was to be set by the Commissioner of Administration at the amount needed to cover all system costs, but no more than 30 cents nor less than eight cents per month. Proceeds of the fee were deposited in a new 911 emergency telephone services account in the special revenue fund. Appropriations to cover operating costs were \$2,748,800 for fiscal year 1996 and \$3,611,500.

Laws 1995, ch. 195, authorized use of the 911 emergency telephone services fee to pay the cost of creating an 800 MHz public safety radio communication system in the metropolitan area. Section 11 of that law, now coded as Minn. Stat. § 403.30, subd. 1, authorized up to four cents a month to pay debt service on bonds of up to \$10 million for that purpose.

Laws 2001, First Sp. Sess. ch. 10, art. 2, § 78, set the total fee at exactly 27 cents per month, rather than within the former range of 8 to 30 cents a month.

Senator Jane B. Ranum

January 19, 2005

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Laws 2002, ch. 401, art.1, § 3, restored the concept of a fee range, which it set at 8 to 33 cents a month. Section 8 of that law increased the amount available to pay debt service on bonds for the radio system to 5.5 cents beginning July 1, 2004.

Laws 2003, First Sp. Sess. ch. 1, art. 2, § 108, increased the maximum fee to 40 cents. Section 117 of that law increased the amount available to pay debt service on bonds for the radio system to 13 cents, beginning July 1, 2004.

PSW:ph

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S.F. No. 1045 - Public Safety Radio System

Author: Senator Jane B. Ranum

Prepared by: Peter S. Wattson, Senate Counsel (651/296-3812) *PSW*

Date: March 1, 2005

S.F. No. 1045 increases the 911 emergency telephone services fee by 25 cents to fund the current deficiency in the costs of operating the 911 telephone system, to pay off prior year obligations of the 911 telephone fund, and to help defray the cost of operating public safety answering points (PSAPs). It authorizes the Commissioner of Public Safety to impose certain cost controls on 911 emergency telephone services contracts. It shortens the time limit for telephone companies to certify to the Commissioner their costs for providing 911 service. It reduces the existing authorization for the Metropolitan Council to sell revenue bonds for the second phase of the 800 MHz public safety radio communication system (in the metropolitan area) and increases its authorization to sell bonds for the third phase (in the areas around Rochester and St. Cloud). It provides a property tax backup for the operating costs of phases three through six of the system (Greater Minnesota). Finally, it sets priorities for payment of debt service costs from the 911 account.

Bonds for these phases of the 800 MHz radio system were previously authorized but not sold. They were authorized by Laws 2002, ch. 401, art. 1, § 7, and Laws 2003, First Sp. Sess. ch. 1, art. 2, §§ 116, and were to be paid for with fee increases totaling nine cents authorized by Laws 2002 ch. 401, art. 1, §§ 3, 8, and Laws 2003, First Sp. Sess. ch. 1, art. 2, §§ 108, 117. The bonds were not sold because the Governor chose to divert the revenue from the nine-cent fee increase to pay operating costs of the telephone service when it became clear in the February 2004 forecast that actual revenue would fall short of the amounts forecast in February 2003.

Section 1 increases the 911 emergency telephone services fee from 40 to 65 cents a month, limits the payment of telephone company charges for providing 911 service to those costs set forth in the company's contract with the Commissioner of Public Safety, and authorizes the Commissioner not to contract to pay for services required by federal law or regulation.

Section 2 limits the payment of telephone company charges for providing 911 service to those costs set forth in the company's contract with the Commissioner of Public Safety.

Section 3 shortens from two years to 90 days the time limit for a telephone company to certify to the Commissioner of Public Safety its charges for providing 911 services and requires each contract to provide that the Commissioner may limit payment of costs to 110 percent of the amount estimated when the contract was signed.

Section 4 dedicates ten cents of the fee increase to paying the costs of operating public safety answering points and clarifies that, if a greater amount is appropriated, the greater amount must be distributed.

Section 5 authorizes the proceeds of 911 bonds to be used to reimburse local units of government for up to 50 percent to the cost of building a subsystem in the southeast or central district of the State Patrol.

Section 6 reduces the bond sale authorization for phase two (building local radio subsystems in the metropolitan area) to \$8 million to reflect the fact that \$13 million of federal Homeland Security money was used for this purpose in 2004, but the addition of Chisago and Isanti Counties to phase two has increased the state share by about \$3 million, as shown in the following table:

Phase Two Costs

2003 Estimate	\$18,000,000
2004 Homeland Security Grant	(\$13,000,000)
2004 Addition of Chisago and Isanti Counties	\$3,000,000
<hr/>	
Total	\$8,000,000

It increases the bond sale authorization for phase three (building the system backbone of transmission towers and related equipment in the Rochester and St. Cloud districts of the State Patrol) to \$44 million, to reflect the 2004 cost estimate made by the Department of Transportation. It authorizes \$9.5 million of 911 bonds to be sold to reimburse local units of government for up to 50 percent to the cost of building a subsystem in the southeast or central district of the State Patrol, as authorized by **section 5**.

Section 7 provides an open appropriation for the payment of debt service on the bonds once they have been sold, and sets this appropriation as a first priority for the use of all the revenue in the 911 account so as to insure that the debt service will be paid on time. It requires the Metropolitan Council to limit the sale of bonds so that the debt service may be paid by the revenue from a certain number of cents per month of the 911 fee.

Section 8 changes from monthly to as needed (currently once a year) the time when the Commissioner of Public Safety must transmit to the Metropolitan Council the amount needed to cover debt service costs and bond reserves.

Section 9 gives to local government units participating in phases three through six of the system outside the metropolitan area the same authority to levy a property tax if necessary to pay their share of operating costs as is now possessed by local government units participating in phases one and two within the metropolitan area.

Section 10 appropriates to the Commissioner of Public Safety the proceeds of five cents of the 911 fee to pay off prior year obligations of the 911 account. (The amount needed for 2007 is \$480,000 less than five cents a month. That amount is available to support the telephone operating deficiency.) It states the intent of the Legislature to complete paying off those prior year obligations by the next biennium. It appropriates the proceeds of ten cents of the fee to operate public safety answering points and the proceeds of one cent of the fee for grants to the medical resource communication centers that direct incoming ambulances to the appropriate hospital emergency rooms. The proceeds of the remaining nine cents of the fee increase are available to eliminate the deficiency in revenue to pay the operating costs of the 911 telephone system, thus making the previously authorized nine cents available to pay the costs of issuance and debt service on the bonds for the 800 MHz radio system.

911 Emergency Telephone System

Purpose	Cents/Month	2006	2007
Telephone Prior Year Obligations	5.0	\$3,442,000	\$3,064,000
Public Safety Answering Points	10.0	\$6,884,000	\$7,087,000
Medical Resource Communication Centers	1.0	\$688,000	\$708,000
Telephone Operating Deficiency	9.0	\$6,192,000	\$6,861,000
Total	25.0	\$17,206,000	\$17,720,000

Section 11 makes the act effective immediately and applies it to 911 services contracts executed on or after that date.

PSW:ph

cc: Ken Backhus
Chris Turner
Don Jorovsky

1 Senator Anderson from the Committee on Jobs, Energy and
2 Community Development, to which was referred

3 S.F. No. 1045: A bill for an act relating to public
4 safety; increasing 911 emergency telecommunications service fee;
5 imposing certain restrictions on public subsidy to telephone
6 companies for providing 911 emergency telephone service;
7 increasing distribution to pay costs of public safety answering
8 points; authorizing sale of Metropolitan Council bonds to
9 implement phases two and three of the 800-MHz public safety
10 radio system; providing for levy of property taxes to secure
11 payment of system operating costs; appropriating money; amending
12 Minnesota Statutes 2004, sections 403.11, subdivisions 1, 3, 3a;
13 403.113, subdivision 1; 403.27, subdivisions 1, 3; 403.30,
14 subdivisions 1, 3; 403.31, subdivision 6.

15 Reports the same back with the recommendation that the bill
16 be amended as follows:

17 Page 2, line 20, delete the new language and reinstate the
18 stricken language

19 Page 4, line 9, delete the new language and reinstate the
20 stricken language

21 And when so amended the bill do pass and be re-referred to
22 the Committee on Finance. Amendments adopted. Report adopted.

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.....
(Committee Chair)

April 1, 2005.....
(Date of Committee recommendation)

Senators Rest, Murphy, Tomassoni, Gaither and Anderson introduced--
S.F. No. 1780: Referred to the Committee on Jobs, Energy and Community Development.

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A bill for an act

relating to employment; permitting employers of
professional athletes to request or require random
drug testing for the presence of anabolic steroids;
amending Minnesota Statutes, section 181.951,
subdivision 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 181.951,
subdivision 4, is amended to read:

Subd. 4. [RANDOM TESTING.] An employer may request or
require ~~only employees in-safety-sensitive-positions~~ to undergo
drug and alcohol testing on a random selection basis only if (1)
they are employed in safety-sensitive positions, or (2) they are
employed as professional athletes and the employer is testing
for the presence of anabolic steroids.

[EFFECTIVE DATE.] This section is effective the day
following final enactment.

**Senate Counsel, Research,
and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 1780 - Drug Testing of Professional Athletes

Author: Senator Ann H. Rest

Prepared by: John C. Fuller, Senate Counsel (651/296-3914) *JCF*

Date: March 31, 2005

Overview

Minnesota Statutes limit the ability of an employer to test an employee or job applicant for drug and alcohol. These limitations apply to an employer doing business in Minnesota and having one or more employees. One of the types of testing that is allowed is random testing. However, an employer may request or require only employees in safety-sensitive positions to undergo drug and alcohol testing on a random selection basis.

Section 1 expands the class of employees who may be requested or required to submit to random testing for drugs and alcohol to include professional athletes.

JCF:cs

- 1 Senator moves to amend S.F. No. 1780 as follows:
- 2 Page 1, line 14, delete everything after "athletes"
- 3 Page 1, line 15, delete everything before the period

1 Senator Anderson from the Committee on Jobs, Energy and
2 Community Development, to which was referred

3 S.F. No. 1780: A bill for an act relating to employment;
4 permitting employers of professional athletes to request or
5 require random drug testing for the presence of anabolic
6 steroids; amending Minnesota Statutes, section 181.951,
7 subdivision 4.

8 Reports the same back with the recommendation that the bill
9 be amended as follows:

10 Page 1, line 14, delete everything after "athletes" and
11 insert "if the professional athlete is subject to a collective
12 bargaining agreement permitting random testing but only to the
13 extent consistent with the collective bargaining agreement"

14 Page 1, line 15, delete everything before the period

15 And when so amended the bill do pass. Amendments adopted.
16 Report adopted.

17
18 (Committee Chair)

19
20 April 1, 2005.....
21 (Date of Committee recommendation)

Senators Sparks and Scheid introduced--

S.F. No. 1777: Referred to the Committee on Job, Energy, and Community Development

1 A bill for an act

2 relating to housing; providing for the licensure of
3 manufactured and industrialized/modular home sales;
4 authorizing rules; amending Minnesota Statutes 2004,
5 sections 327B.01, by adding a subdivision; 327B.04,
6 subdivisions 1, 4; proposing coding for new law in
7 Minnesota Statutes, chapters 16B; 327B.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

9 Section 1. [16B.751] [SALES OF INDUSTRIALIZED/MODULAR
10 BUILDINGS.]

11 Salespersons and brokers of industrialized/modular homes
12 must be licensed under sections 327B.041 to 327B.045. A dealer
13 of industrialized/modular homes must be a licensed manufactured
14 home dealer under chapter 327B, a licensed residential
15 contractor under chapter 326, or a licensed real estate broker
16 under chapter 82.

17 Sec. 2. Minnesota Statutes 2004, section 327B.01, is
18 amended by adding a subdivision to read:

19 Subd. 7a. [EMPLOYER.] "Employer" means a licensed
20 manufactured home dealer, a licensed residential contractor
21 under chapter 326, or a licensed real estate broker under
22 chapter 82.

23 Sec. 3. Minnesota Statutes 2004, section 327B.04,
24 subdivision 1, is amended to read:

25 Subdivision 1. [LICENSE AND BOND REQUIRED.] No person
26 shall act as a dealer in manufactured homes, new or used,

1 without a license and a surety bond as provided in this
2 section. No person shall manufacture manufactured homes without
3 a license and a surety bond as provided in this section. The
4 licensing and bonding requirements of this section do not apply
5 to any bank, savings bank, savings association, or credit union,
6 chartered by either this state or the federal government, which
7 acts as a dealer only by repossessing manufactured homes and
8 then offering the homes for resale.

9 A dealer of industrialized/modular homes, as defined in
10 section 16B.75, must be licensed as a dealer under this section,
11 as a residential contractor under chapter 326, or as a real
12 estate broker under chapter 82.

13 Sec. 4. Minnesota Statutes 2004, section 327B.04,
14 subdivision 4, is amended to read:

15 Subd. 4. [LICENSE PREREQUISITES.] No application shall be
16 granted nor license issued until the applicant proves to the
17 commissioner that:

18 (a) the applicant has a permanent, established place of
19 business at each licensed location. An "established place of
20 business" means a permanent enclosed building other than a
21 residence, or a commercial office space, either owned by the
22 applicant or leased by the applicant for a term of at least one
23 year, located in an area where zoning regulations allow
24 commercial activity, and where the books, records and files
25 necessary to conduct the business are kept and maintained. The
26 owner of a licensed manufactured home park who resides in or
27 adjacent to the park may use the residence as the established
28 place of business required by this subdivision, unless
29 prohibited by local zoning ordinance.

30 If a license is granted, the licensee may use unimproved
31 lots and premises for sale, storage, and display of manufactured
32 homes, if the licensee first notifies the commissioner in
33 writing;

34 (b) if the applicant desires to sell, solicit or advertise
35 the sale of new manufactured homes, it has a bona fide contract
36 or franchise in effect with a manufacturer or distributor of the

1 new manufactured home it proposes to deal in;

2 (c) the applicant has secured a surety bond in the amount
3 of \$20,000 for the protection of consumer customers, executed by
4 the applicant as principal and issued by a surety company
5 admitted to do business in this state. The bond shall be
6 exclusively for the purpose of reimbursing consumer customers
7 and shall be conditioned upon the faithful compliance by the
8 applicant with all of the laws and rules of this state
9 pertaining to the applicant's business as a dealer or
10 manufacturer, including sections 325D.44, 325F.67 and 325F.69,
11 and upon the applicant's faithful performance of all its legal
12 obligations to consumer customers;

13 (d) the applicant has established a trust account as
14 required by section 327B.08, subdivision 3, unless the applicant
15 states in writing its intention to limit its business to
16 selling, offering for sale, soliciting or advertising the sale
17 of new manufactured homes; and

18 (e) the applicant ~~has provided evidence of having had at~~
19 ~~least two years' prior experience in the sale of manufactured~~
20 ~~homes, working for a licensed dealer~~ holds a salesperson license
21 under sections 327B.041 to 327B.045 and has: (1) a minimum of
22 two years' experience as an active salesperson for a licensed
23 dealer within the past four years; or (2) two years' continuous
24 experience as an active salesperson for a licensed dealer within
25 the past ten years. This requirement does not apply to dealers
26 holding valid licenses prior to November 1, 2005.

27 Sec. 5. [327B.041] [SALESPERSON LICENSE; EXAMINATION.]

28 Subdivision 1. [LICENSE REQUIRED FOR SALESPERSON OR
29 BROKER.] A person may not act as a salesperson or broker of
30 manufactured homes, new or used, or of industrialized/modular
31 buildings as defined in section 16B.75, without a salesperson
32 license as provided in sections 327B.041 to 327B.045.

33 Subd. 2. [EXAMINATION ELIGIBILITY; REVOCATION.] A person
34 is not eligible to take the examination for a salesperson
35 license under this section if the applicant has had any related
36 professional or trade license, as defined by the commissioner,

1 revoked or suspended in this or any other state within five
2 years of the date of the application.

3 Subd. 3. [EXAMINATION FREQUENCY.] The commissioner shall
4 hold examinations at times and places the commissioner
5 determines, except that the examinations must be held at least
6 every 90 days.

7 Subd. 4. [EXAMINATION FORMAT.] The examination must
8 consist of not more than 100 multiple-choice questions in an
9 open-book format. The examination must be developed by the
10 commissioner with input and guidance from the Minnesota
11 Manufactured Home Association or its successor organization. A
12 passing grade for the examination is a score of 70 percent or
13 higher.

14 Subd. 5. [EXEMPTION FROM SALESPERSON EXAMINATION.] The
15 testing provisions of this section do not apply to a person who,
16 as of July 1, 2006, holds a salesperson license under sections
17 327B.041 to 327B.045 and has acted as a salesperson or broker of
18 manufactured homes, new or used, or of industrialized/modular
19 buildings as defined in section 16B.75, for an employer for a
20 continuous period of two years immediately prior to July 1, 2006.

21 Subd. 6. [REEXAMINATIONS.] An examination is required
22 before the renewal of a salesperson license that has been
23 suspended, or before the issuance of a license to a person whose
24 license has been ineffective for a period of two years, except
25 no reexamination is required of an individual who has failed to
26 renew an existing license because of absence from the state
27 while on active duty with the armed forces of the United States.

28 Sec. 6. [327B.042] [SALESPERSON LICENSING; APPLICATION.]

29 Subdivision 1. [QUALIFICATION OF APPLICANTS.] An applicant
30 for a salesperson license must be at least 18 years of age at
31 the time of applying for the license.

32 Subd. 2. [APPLICATION FOR LICENSE; CONTENTS.] (a) An
33 applicant for a license as a salesperson shall apply in writing
34 on forms prepared and furnished by the commissioner. Each
35 application must be signed and sworn to by the applicant and be
36 accompanied by a license fee set by the commissioner.

1 (b) An application for a salesperson license must contain:

2 (1) information required by the commissioner consistent
3 with the administration of this chapter;

4 (2) the applicant's name, age, Social Security number,
5 residence address, employment history for the past ten years,
6 and the name and place of business of the employer on whose
7 behalf the salesperson will be acting;

8 (3) the names of any company, partnership, or corporation
9 licensed or registered in Minnesota in which the applicant has
10 held any ownership interest or over which the applicant has
11 exercised control as either owner or management; and

12 (4) whether the applicant or any entity identified in
13 clause (3) has ever filed for bankruptcy laws or been declared
14 insolvent.

15 (c) The commissioner may require further information the
16 commissioner deems appropriate to administer sections 327B.041
17 to 327B.045.

18 (d) An applicant for a salesperson license must submit to
19 the commissioner, along with the application for licensure,
20 consents for credit and criminal background checks. The
21 criminal background check must be multistate for all states of
22 past residency over the previous ten years. A salesperson
23 license may not be issued to an applicant who the commissioner
24 determines may not be of fit character or has, in the conduct of
25 the applicant's affairs, been shown to be incompetent,
26 untrustworthy, or financially irresponsible, or has engaged in
27 criminal, fraudulent, deceptive, or dishonest practices.

28 Subd. 3. [PROVISIONAL 90-DAY LICENSE.] An applicant who
29 has submitted a complete application to the commissioner must be
30 issued a provisional license under which the applicant may work
31 for the employer identified in the license application, but may
32 not sign purchase agreements or any financing documents, all of
33 which must be signed by the employer. The applicant has 90 days
34 to pass the salesperson's examination. Upon obtaining a passing
35 score on the examination and issuance of a salesperson's
36 license, the provisional license expires and the employer must

1 surrender it to the commissioner. No more than two provisional
2 licenses may be issued to an applicant within any 24-month
3 period. A provisional 90-day license must not be issued to
4 brokers.

5 Subd. 4. [CHANGE OF APPLICATION INFORMATION.] The
6 commissioner must be notified in writing of a change of
7 information contained in the license application on file with
8 the commissioner within ten days of the change.

9 Sec. 7. [327B.043] [SALESPERSON LICENSING; CONTINUING
10 EDUCATION.]

11 (a) A person holding a salesperson license must
12 successfully complete ten hours of continuing education, either
13 as a student or a lecturer, in courses of study approved by the
14 commissioner, during the initial license period and during each
15 succeeding 24-month license period. During the initial term of
16 licensure, at least six of the ten credit hours must be
17 completed during the first 12 months of the 24-month licensing
18 period. A salesperson may not claim credit for continuing
19 education not actually completed as of the date the report of
20 continuing education compliance is filed.

21 (b) The commissioner may adopt rules defining the standards
22 for course and instructor approval and continuing education as
23 required under this section. The commissioner may not approve a
24 course which can be completed by the salesperson at home or
25 outside the classroom without the supervision of an instructor
26 except accredited courses using new delivery technology,
27 including interactive technology, and the Internet. The
28 commissioner may approve courses of study in the field offered
29 in educational institutions of higher learning in this state or
30 courses of study in the field developed by and offered under the
31 auspices of the Manufactured Housing Institute, the Minnesota
32 Manufactured Home Association, or their successors and
33 affiliates, or private schools. Courses in motivation,
34 salesmanship, psychology, or time management are not eligible
35 for continuing education credit. Courses in professionalism in
36 home sales and legal requirements involving purchase agreements

1 and other salesperson legal and regulatory obligations are
2 eligible for approval.

3 (c) Any program approved by the commissioner of commerce
4 for continuing education for real estate brokers and licensees
5 under chapter 82 must be approved by the commissioner for
6 continuing education for salespersons under this section. A
7 program approved by the commissioner of commerce for continuing
8 education for contractors under chapter 326 must be approved by
9 the commissioner for continuing education for salespersons under
10 this section.

11 (d) As part of the continuing education requirements of
12 this section, a salesperson must receive:

13 (1) at least four hours of training during each license
14 period in courses regarding laws or regulations on dual agency
15 representation and disclosure; laws or regulations governing the
16 sale, construction standards, and installation of manufactured
17 homes or prefabricated modular homes; and the Minnesota State
18 Building Code; and

19 (2) at least one hour of training during each license
20 period in courses in state and federal fair housing laws and
21 regulations or other antidiscrimination laws or regulations or
22 courses designed to assist in meeting the housing needs of
23 immigrant and other underserved populations; and courses in
24 consumer fair credit laws and consumer privacy requirements.

25 (e) The commissioner may establish a procedure for renewal
26 of course accreditation and must apply broadly the requirements
27 of this section when reviewing courses submitted for approval.
28 The commissioner may expand the list of qualifying subject areas
29 for course approval based on changes within the industry or
30 changes related to state and federal requirements.

31 (f) Credit may not be earned if the salesperson has
32 previously obtained credit for the same course as either a
33 student or instructor during the same licensing period.

34 (g) The continuing education course completion certificate
35 must be in the form prescribed by the commissioner.

36 (h) Salespersons are responsible for maintaining copies of

1 course completion certificates.

2 Sec. 8. [327B.044] [SALESPERSON LICENSING; RENEWAL.]

3 Subdivision 1. [DURATION.] A salesperson license is not
4 effective for more than two years except as provided in section
5 327B.045, subdivision 4, for certain new licenses. The
6 commissioner shall cancel and not renew the license of any
7 person who fails to comply with the continuing education
8 requirements of section 327B.043.

9 Subd. 2. [TIMELY RENEWALS.] A salesperson whose renewal
10 application has been properly and timely filed who has not
11 received notice of denial of renewal is considered to have been
12 approved for renewal and may continue to transact business
13 whether or not the renewed license has been received on or
14 before July 1 of the renewal year. An application for renewal
15 of a license is considered timely filed if received by the
16 commissioner by, or mailed with proper postage and postmarked
17 by, June 15 of the renewal year. An application for renewal is
18 properly filed if made on notarized forms accompanied by fees
19 set by the commissioner, and containing information the
20 commissioner requires.

21 Subd. 3. [FAILURE TO RENEW.] A salesperson who has failed
22 to make a timely application for renewal of a salesperson
23 license and who has not received the renewal license as of July
24 1 of the renewal year is unlicensed until the license has been
25 issued by the commissioner and is received.

26 Subd. 4. [EFFECT OF FAILURE TO RENEW LICENSE.] If a
27 salesperson license lapses or becomes ineffective, the
28 commissioner may institute a revocation or suspension proceeding
29 within two years after the license was last effective and enter
30 a revocation or suspension order as of the last date on which
31 the license was in effect and may require that the salesperson
32 take the salesperson license examination.

33 Subd. 5. [CANCELLATION OF SALESPERSON LICENSE.] A
34 salesperson license that has been canceled for failure of a
35 salesperson to complete continuing education requirements must
36 be returned to the commissioner by the employer within ten days

1 of receipt of notice of cancellation. The license must be
2 reinstated without reexamination if the salesperson completes
3 the required instruction, filing an application, and pays the
4 fee for a salesperson license prior to the expiration date of
5 the license.

6 Sec. 9. [327B.045] [SALESPERSON LICENSING; OTHER.]

7 Subdivision 1. [GENERALLY.] The commissioner shall issue a
8 salesperson license to any person who qualifies for the license
9 under sections 327B.041 to 327B.045. A salesperson license must
10 be issued in the name of the applicant to the employer
11 identified in the license application.

12 Subd. 2. [RESPONSIBILITY.] Each employer is responsible
13 for the acts of all of the employer's salespersons while acting
14 as agents on the employer's behalf. Each officer of a
15 corporation or partner in a partnership licensed as an employer
16 has the same responsibility under sections 327B.041 to 327B.045
17 as a corporate or partnership employer with regard to the acts
18 of the salespersons acting on behalf of the corporation or
19 partnership.

20 Subd. 3. [ISSUANCE OF SALESPERSON LICENSE.] A salesperson
21 is licensed to act on behalf of an employer and may not be
22 licensed to act on behalf of more than one employer in this
23 state during the same period of time. The license of each
24 salesperson must be mailed to and remain in the possession of
25 the employer with whom the salesperson is or will be associated
26 until canceled or until the salesperson leaves the employer.

27 Subd. 4. [EFFECTIVE DATE OF LICENSE.] Licenses renewed
28 under sections 327B.041 to 327B.045 are valid for 24 months.
29 New licenses expire on June 30 of the following year unless the
30 term of the new license would be less than 18 months in which
31 case the new license expires on June 30 of the subsequent year.
32 Implementation of the 24-month licensing program must be
33 staggered so that approximately one-half of the licenses will
34 expire on June 30 of each even-numbered year and the other
35 one-half on June 30 of each odd-numbered year. Those
36 salespersons who will receive a 36-month license on July 1,

1 2006, because of the staggered implementation schedule, must pay
2 for the license a fee increased by an amount equal to one-half
3 the fee for renewal of the license.

4 Subd. 5. [TERMINATIONS; TRANSFERS.] (a) Except as provided
5 in paragraph (b), if a salesperson terminates activity on behalf
6 of an employer, the salesperson's license is ineffective.
7 Within ten days of the termination, the employer shall notify
8 the commissioner in writing and return the license of the
9 salesperson to the commissioner. The salesperson may apply for
10 transfer of the license to another employer at any time during
11 the remainder of the license period on forms provided by the
12 commissioner. If the application for transfer qualifies, the
13 commissioner shall grant the application. Upon receipt of a
14 transfer application and payment of the transfer fee, the
15 commissioner may issue a 45-day probationary license. If an
16 application for transfer is not made within the license period,
17 the commissioner shall require that an application for a new
18 license be filed.

19 (b) If a salesperson terminates activity on behalf of an
20 employer in order to begin association immediately with another
21 employer, the commissioner shall permit the automatic transfer
22 of the salesperson's license. The transfer is effective either
23 upon the mailing of the required fee and the executed documents
24 by certified mail or upon personal delivery of the fee and
25 documents to the commissioner's office. The commissioner may
26 adopt rules and prescribe forms as necessary to implement this
27 paragraph. Upon submission of an application for automatic
28 transfer, the salesperson's license held by the employer from
29 whom the salesperson is transferring shall be void and returned
30 to the commissioner.

31 (c) The transfer is ineffective if the fee is paid by means
32 of a check, draft, or other instrument or order of withdrawal
33 drawn on an account with insufficient funds.

34 (d) The salesperson shall retain the certified mail return
35 receipt if the transfer application is delivered to the
36 commissioner by mail, retain a photocopy of the executed

1 transfer application, and provide a photocopy of the executed
2 transfer application to the employer from whom the salesperson
3 is transferring.

4 (e) The salesperson's automatic transfer must be in the
5 form prescribed by the commissioner.

6 Subd. 6. [AUTOMATIC TRANSFER OF DEALER'S LICENSE.] If a
7 dealer terminates activity in order to begin association with
8 another dealer, the commissioner shall permit the automatic
9 transfer of the dealer license to a salesperson license. If
10 there are salespersons working for the dealer, the dealer shall:

11 (1) certify to the commissioner that another dealer will
12 remain in the company that the dealer is leaving prior to
13 issuance of the transfer and shall identify the dealer
14 remaining;

15 (2) certify to the commissioner that the salespersons will
16 be transferring with the dealer, in which case the salespersons
17 must comply with subdivision 5; or

18 (3) return the licenses of all salespersons to the
19 commissioner.

20 The transfer is effective either upon the mailing of the
21 required fee and the executed documents by certified mail or
22 upon personal delivery of the fee and documents to the
23 commissioner's office.

24 Subd. 7. [NONRESIDENTS.] A nonresident of Minnesota may be
25 licensed as a salesperson upon compliance with sections 327B.041
26 to 327B.045.

27 Subd. 8. [TEMPORARY DEALER'S LICENSE.] In the event of the
28 death or incapacity of a dealer, the commissioner may issue a
29 60-day temporary dealer license to a salesperson of the dealer
30 if the salesperson has had a minimum of two years' experience as
31 a salesperson and is otherwise reasonably qualified to act as a
32 dealer. Upon application prior to its expiration, the 60-day
33 temporary permit may be renewed once for an additional 45 days
34 by the commissioner if the applicant demonstrates a good-faith
35 effort to obtain a dealer's license within the preceding 60 days
36 and an extension of time will not harm the public interest.

1 Only those salespersons licensed at the time of the
2 dealer's death or incapacity may conduct business for or on
3 behalf of the person to whom the temporary dealer's license was
4 issued.

5 Subd. 9. [WITHDRAWAL OF LICENSE OR APPLICATION.] A
6 salesperson or salesperson license applicant may at any time
7 file with the commissioner a request to withdraw from the status
8 of salesperson or to withdraw a pending license application.
9 Withdrawal from the status of salesperson or withdrawal of the
10 license application becomes effective 30 days after receipt of a
11 request to withdraw or within a shorter period the commissioner
12 determines, unless a revocation, suspension, or denial
13 proceeding is pending when the request to withdraw is filed or a
14 proceeding to revoke, suspend, deny, or impose conditions upon
15 the withdrawal is instituted within 30 days after the request to
16 withdraw is filed. If a proceeding is pending or instituted,
17 withdrawal becomes effective at the time and upon the conditions
18 the commissioner determines by order. If no proceeding is
19 pending or instituted and withdrawal automatically becomes
20 effective, the commissioner may institute a revocation or
21 suspension proceeding within one year after withdrawal became
22 effective and enter a revocation or suspension order as of the
23 last date on which the license was in effect.

24 Subd. 10. [EXEMPTION.] The following persons, when acting
25 as salespersons, are exempt from sections 327B.041 to 327B.045:

26 (1) a licensed residential contractor under chapter 326;

27 (2) a licensed real estate broker or salesperson under
28 chapter 82; and

29 (3) a salesperson who is employed by a manufacturer of
30 manufactured homes or modular homes who engages in sales only at
31 the wholesale level but not to the public.

32 Sec. 10. [FEES.]

33 The commissioner of administration may set initial fees
34 under sections 5 to 9 by rule, notwithstanding Minnesota
35 Statutes, section 16A.1283.

36 Sec. 11. [EFFECTIVE DATE.]

1 Sections 1 to 10 are effective November 1, 2005.

**Senate Counsel, Research,
and Fiscal Analysis**

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**S.F. No. 1777 - Licensure of Manufactured and
Industrialized/Modular Home Sales**

Author: Senator Dan Sparks

Prepared by: Chris Turner, Senate Research (651/296-4350) CT

Date: April 1, 2005

Overview

The bill creates and provides procedures for a licensure requirement for the retail sale of manufactured and industrialized/modular homes in Minnesota Statutes, section 327B (Manufactured Home Sales).

Section 1 requires salespersons and brokers of industrialized/modular homes to be licensed under the provisions of sections 5 to 9 of the bill. Requires dealers of industrialized/modular homes to be licensed under chapter 327B (manufactured home dealers), chapter 326 (residential contractors), or chapter 82 (real estate brokers).

Section 2 defines "employer" for the purposes of chapter 327B as a licensed manufactured home dealer, a licensed residential contractor, or a licensed real estate broker.

Section 3 provides that dealers of industrialized/modular homes must be licensed under chapter 327B, chapter 326, or chapter 82.

Section 4 expands the required prerequisites to licensure as a manufactured home dealer to include licensure as a salesperson or broker of manufactured and industrialized/modular homes, with at least two years experience as an active salesperson, effective November 1, 2005.

Section 5, subdivision 1, requires a license under this section for sales or brokerage of manufactured and industrialized/modular homes.

Subdivision 2 provides that applicants for a sales license under this section are ineligible if they have had any related professional or trade license revoked or suspended in the last five years.

Subdivision 3 requires the Commissioner of Administration to hold license examinations at least once every 90 days.

Subdivision 4 provides that the license examination be developed by the commissioner with input from the Minnesota Manufactured Home Association. The exam must be open-book and consist of not more than 100 multiple-choice questions. A passing grade for the exam is a score of 70 percent or higher.

Subdivision 5 exempts from the salesperson exam those who are licensed prior to July 1, 2006, and have acted as a salesperson or broker for the two years immediately prior.

Subdivision 6 requires reexaminations for persons whose license has lapsed or been suspended.

Section 6, subdivision 1, requires that an applicant for a salesperson license be at least 18 years of age.

Subdivision 2 requires a written application for licensure on a form provided by the commissioner, accompanied by a license fee set by the commissioner. Delineates what information is required on the application. Requires that the applicant consent to a credit and criminal background check. Gives the commissioner discretion to deny licensure based on information received from the credit or criminal background check.

Subdivision 3 provides for the issuance of a 90-day provisional license (which allows limited duties) after the written application has been successfully submitted. The applicant has 90 days to pass the written exam before the provisional license expires. No more than two provisional licenses may be issued in a 24-month period.

Subdivision 4 requires that the commissioner be notified within ten days of any change to an application on file.

Section 7 requires at least ten hours of continuing education in courses approved by the commissioner during the initial license period and every 24 months thereafter. Authorizes the commissioner to adopt rules for continuing education standards. Requires that continuing education courses approved for real estate brokers under chapter 82 and contractors under chapter 326 must be approved for manufactured and industrialized/modular home salespeople under this section. Lists minimum course requirements.

Section 8 provides that a salesperson license is effective for two years and must be revoked for failure to comply with continuing education requirements. Provides license renewal and cancellation procedures.

Section 9, subdivision 1, requires licenses be issued in the name of the applicant to the employer identified in the license application.

Subdivision 2 provides that employers are responsible for the acts of the salespeople acting on their behalf.

Subdivision 3 provides that a salesperson may only work for one employer at a time. Requires the employer to retain possession of the salesperson's license until it is cancelled or the salesperson leaves the employer.

Subdivision 4 provides that licenses are valid for 24 months. Provides a license implementation schedule that is staggered so that one-half of all licenses expire on June 30 of odd-numbered years and the other half expire on June 30 of even-numbered years.

Subdivision 5 provides salesperson employment termination and transfer procedures. Authorizes the commissioner to adopt rules regulating transfer of employment.

Subdivision 6 provides automatic transfer of a dealer's license to a salesperson's license when a dealer terminates activity in order to work for another dealer. Provides procedures for the licenses of salespeople working for a dealer under such circumstances.

Subdivision 7 authorizes Minnesota nonresidents to be licensed as manufactured and industrialized/modular home salespeople.

Subdivision 8 provides procedures for the issuance of a temporary dealer's license in the event of the death or incapacity of a licensed dealer.

Subdivision 9 provides procedures for a salesperson or applicant to withdraw from licensure or applicant status.

Subdivision 10 exempts residential contractors licensed under chapter 326, real estate brokers licensed under chapter 82, and manufactured and industrialized/modular home wholesalers from the provisions of sections 5 to 9 of the bill.

Section 10 authorizes the commissioner to set initial licensure fees by rule.

Section 11 provides a November 1, 2005, effective date.

CT:vs

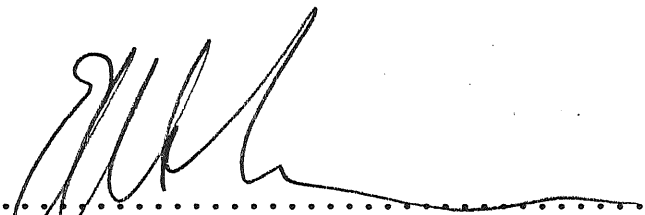
1 Senator Anderson from the Committee on Jobs, Energy and
2 Community Development, to which was referred

3 S.F. No. 1777: A bill for an act relating to housing;
4 providing for the licensure of manufactured and
5 industrialized/modular home sales; authorizing rules; amending
6 Minnesota Statutes 2004, sections 327B.01, by adding a
7 subdivision; 327B.04, subdivisions 1, 4; proposing coding for
8 new law in Minnesota Statutes, chapters 16B; 327B.

9 Reports the same back with the recommendation that the bill
10 do pass. Report adopted.

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.....
(Committee Chair)

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April 1, 2005.....
(Date of Committee recommendation)

Senators Kelley and Scheid introduced--

S.F. No. 1861: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to building plan review; providing an
3 exemption from plan review for certain biotechnology
4 manufacturing firms when plans meet designated
5 specifications; directing the commissioner of labor
6 and industry to study procedures for supervision of
7 installation of biotechnology piping systems;
8 requiring a report to the legislature.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

10 Section 1. [EXEMPTION FROM PLAN REVIEW.]

11 Installation of piping systems by biotechnology

12 manufacturing firms shall be exempt from plan review by the city
13 of Brooklyn Park if such system plans are drawn to the following
14 American Society of Mechanical Engineers (ASME) requirements:
15 ASME BPE - 2002 (bioprocessing equipment), ASME BPVC section II,
16 part C, ASME BPVC section V, ASME BPVC section VIII, ASME BPVC
17 section IX, ASME B31.3, and AWS D18.2.

18 Sec. 2. [WORKING GROUP TO BE CONVENED.]

19 The commissioner of labor and industry will convene a
20 working group to consist of one member from each of the
21 Departments of Labor and Industry, Employment and Economic
22 Development, and Administration; two members who are mechanical
23 contractors; two members who are installers of piping systems;
24 and two members who are biotechnology manufacturers. The
25 working group will study procedures for supervision of
26 installation of biotechnology piping systems through plan review
27 and inspection. The commissioner of labor and industry will

- 1 report the results of the study to the legislature no later than
- 2 February 1, 2006.

**Senate Counsel, Research,
and Fiscal Analysis**

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Senate

State of Minnesota

**S.F. No. 1861 -Biotechnology Manufacturing Firm Building Plan
Review Exemption**

Author: Senator Steve Kelley

Prepared by: Chris Turner, Senate Research (651/296-4350) *CT*

Date: April 1, 2005

Section 1 provides that the installation of piping systems by biotechnology firms are exempt from building plan review by the city of Brooklyn Park, provided the plans are drawn to requirements specified in the bill.

Section 2 requires the Commissioner of Labor and Industry to convene a working group to study procedures for supervision of installation of biotechnology piping systems from plan review to inspection. Requires the Commissioner to report the results of the study to the Legislature by February 1, 2006.

CT:vs

1 Senator moves to amend S.F. No. 1861 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. [EXEMPTION FROM PLAN REVIEW.]

4 Installation of high pressure steam, low pressure steam,
5 gas, oil, refrigeration and process piping systems by
6 biotechnology manufacturing firms shall be exempt from plan
7 review by any city in Ramsey or Hennepin County if such system
8 plans are drawn to the following American Society of Mechanical
9 Engineers (ASME) requirements: ASME BPE - 2002 (bioprocessing
10 equipment), ASME BPVC section II, part C, ASME BPVC section V,
11 ASME BPVC section VIII, ASME BPVC section IX, ASME B31.3, and
12 AWS D18.2. This section expires on January 1, 2008.

13 Sec. 2. [WORKING GROUP TO BE CONVENED.]

14 The commissioner of labor and industry will convene a
15 working group to consist of one member from each of the
16 Departments of Labor and Industry, Employment and Economic
17 Development and Administration; two members who are mechanical
18 contractors; two members who are installers of piping systems;
19 two members who are biotechnology manufacturers; and two
20 representatives of cities who have process piping expertise, one
21 of whom represents a city of the first class and one of whom
22 represents a city other than a city of the first class. The
23 working group will study procedures for supervision of
24 installation of biotechnology piping systems through plan review
25 and inspection. The commissioner of labor and industry will
26 report the results of the study to the chairs of the committees
27 in the house and senate with relevant jurisdiction no later than
28 February 1, 2006."

29 Amend the title accordingly

1 Senator Anderson from the Committee on Jobs, Energy and
2 Community Development, to which was referred

3 S.F. No. 1861: A bill for an act relating to building plan
4 review; providing an exemption from plan review for certain
5 biotechnology manufacturing firms when plans meet designated
6 specifications; directing the commissioner of labor and industry
7 to study procedures for supervision of installation of
8 biotechnology piping systems; requiring a report to the
9 legislature.

10 Reports the same back with the recommendation that the bill
11 be amended as follows:

12 Delete everything after the enacting clause and insert:

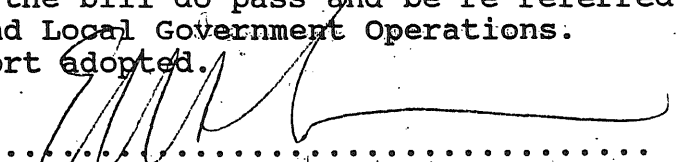
13 "Section 1. [EXEMPTION FROM PLAN REVIEW.]

14 Installation of high pressure steam, low pressure steam,
15 gas, oil, refrigeration and process piping systems by
16 biotechnology manufacturing firms shall be exempt from plan
17 review by any city in Ramsey or Hennepin County if such system
18 plans are drawn to the following American Society of Mechanical
19 Engineers (ASME) requirements: ASME BPE - 2002 (bioprocessing
20 equipment), ASME BPVC section II, part C, ASME BPVC section V,
21 ASME BPVC section VIII, ASME BPVC section IX, ASME B31.3, and
22 AWS D18.2. This section expires on January 1, 2008.

23 Sec. 2. [WORKING GROUP TO BE CONVENED.]

24 The commissioner of labor and industry will convene a
25 working group to consist of one member from each of the
26 Departments of Labor and Industry, Employment and Economic
27 Development, and Administration; two members who are mechanical
28 contractors; two members who are installers of piping systems;
29 two members who are biotechnology manufacturers; and two
30 representatives of cities who have process piping expertise, one
31 of whom represents a city of the first class and one of whom
32 represents a city other than a city of the first class. The
33 working group will study procedures for supervision of
34 installation of biotechnology piping systems through plan review
35 and inspection. The commissioner of labor and industry will
36 report the results of the study to the chairs of the committees
37 in the house and senate with relevant jurisdiction no later than
38 February 1, 2006."

39 And when so amended the bill do pass and be re-referred to
40 the Committee on State and Local Government Operations.
41 Amendments adopted. Report adopted.


.....
(Committee Chair)

April 1, 2005.....
(Date of Committee recommendation)

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To: Senator Anderson, Chair
Committee on Jobs, Energy and Community Development
Senator Kelley,
Chair of the Subcommittee on Telecommunications and
Technology, to which was referred

S.F. No. 1225: A bill for an act relating to
communications; creating a broadband revolving loan fund;
proposing coding for new law in Minnesota Statutes, chapter 446A.

Reports the same back with the recommendation that the bill
do pass and be referred to the full committee.


.....
(Subcommittee Chair)

March 30, 2005.....
(Date of Subcommittee action)

Senators Kelley, Anderson, Stumpf and Kubly introduced--

S.F. No. 1225: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to communications; creating a broadband
3 revolving loan fund; proposing coding for new law in
4 Minnesota Statutes, chapter 446A.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. [446A.086] [BROADBAND REVOLVING LOAN FUND.]

7 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
8 subdivision apply to this section.

9 (b) "Authority" means the Minnesota Public Facilities
10 Authority.

11 (c) "Broadband" means data telecommunication that is
12 delivered at a minimum speed of 100 megabits per second for
13 residential users and one gigabit per second for business and
14 institutional users.

15 (d) "Commissioner" means the commissioner of employment and
16 economic development.

17 (e) "Governmental unit" means a state agency, home rule
18 charter or statutory city, county, municipal utility, or other
19 governmental subdivision.

20 (f) "Loan" means financial assistance provided for all or
21 part of the cost of a project, including money disbursed in
22 anticipation of reimbursement or repayment, loan guarantees,
23 lines of credit, credit enhancements, equipment financing
24 leases, bond insurance, or other forms of financial assistance.

25 Subd. 2. [PURPOSE.] The purpose of the broadband revolving

1 loan fund is to provide loans for local communications
2 infrastructure, including any technology that can deliver
3 broadband to residential and institutional customers. The
4 technology that delivers broadband includes, but is not limited
5 to, fiber-optic cable, coaxial cable, copper wire, wireless
6 systems, satellite systems, and electrical lines.

7 Subd. 3. [ESTABLISHMENT OF FUND.] A broadband revolving
8 loan fund is established to make loans to government units for
9 the purposes described in subdivision 2.

10 Subd. 4. [ELIGIBLE PROJECTS.] Loans may be made only for
11 broadband infrastructure projects owned by a governmental unit
12 and approved by the commissioner. The provision of retail
13 broadband service to residential and institutional customers
14 must be provided by a private entity capable of providing retail
15 broadband services, including voice, video, and data services.
16 The retail broadband service provider must enter into a use
17 agreement with the governmental unit that owns the
18 infrastructure.

19 Subd. 5. [APPLICATIONS.] Applicants for loans must submit
20 an application to the authority on forms provided by the
21 authority. The applicant must provide the following information:

22 (1) the estimated cost of the project and the amount of the
23 loan sought;

24 (2) other possible sources of funding in addition to loans
25 sought from the broadband revolving loan fund;

26 (3) the proposed methods and sources of funds to be used
27 for repayment of loans received;

28 (4) information showing the financial status and ability of
29 the borrower to repay loans;

30 (5) information showing that the demand exists for
31 broadband services; and

32 (6) information showing the experience of the retail
33 broadband service provider.

34 Subd. 6. [CERTIFICATION OF PROJECTS.] The commissioner
35 shall consider the following information when evaluating
36 projects for funding by the authority:

1 (1) a description of the nature and purpose of the proposed
2 broadband project, including an explanation of the need for the
3 project and the reasons why it is in the public interest;

4 (2) the estimated cost of the project and the amount of
5 loans sought;

6 (3) proposed sources of funding in addition to loans sought
7 from the broadband revolving loan fund;

8 (4) the viability of the technology that will deliver the
9 broadband service; and

10 (5) the viability of the retail broadband service provider
11 that will provide retail broadband services using the
12 infrastructure.

13 Subd. 7. [LOAN CONDITIONS.] When making loans from the
14 broadband revolving loan fund, the authority shall engage in
15 prior consultation with the Department of Commerce. Loans must:

16 (1) bear interest at or below market rates;

17 (2) have a repayment term not longer than 15 years;

18 (3) be fully amortized no later than 15 years after project
19 completion; and

20 (4) be subject to repayment of principal and interest
21 beginning not later than three years after the infrastructure
22 financed with a loan has been completed.

23 Subd. 8. [OPEN ACCESS.] Access to the infrastructure
24 financed in whole or in part by a loan under this section must
25 be nonexclusive to a provider and open to all qualified
26 providers.

1 Senator moves to amend S.F. No. 1225 as follows:

2 Page 3, after line 26, insert:

3 "Sec. 2. [APPROPRIATION; BROADBAND REVOLVING LOAN FUND.]

4 \$..... is appropriated from the bond proceeds fund to the
5 public facilities authority for deposit in the broadband
6 revolving loan fund created by Minnesota Statutes, section
7 446A.086, for the purposes of the fund.

8 Sec. 3. [BOND AUTHORIZATION.]

9 To provide the money appropriated in this act from the bond
10 proceeds fund, the commissioner of finance shall sell and issue
11 bonds of the state in an amount up to \$..... in the manner,
12 upon the terms, and with the effect prescribed by Minnesota
13 Statutes, sections 16A.631 to 16A.675, and by the Minnesota
14 Constitution, article XI, sections 4 to 7."

15 Amend the title as follows:

16 Page 1, line 3, after the semicolon, insert "authorizing
17 bonds; appropriating money;"

1 Senator Anderson from the Committee on Jobs, Energy and
2 Community Development, to which was referred

3 S.F. No. 1225: A bill for an act relating to
4 communications; creating a broadband revolving loan fund;
5 proposing coding for new law in Minnesota Statutes, chapter 446A.

6 Reports the same back with the recommendation that the bill
7 be amended as follows:

8 Page 3, after line 26, insert:

9 "Sec. 2. [BOND AUTHORIZATION.]

10 To provide the money appropriated in this act from the bond
11 proceeds fund, the commissioner of finance shall sell and issue
12 bonds of the state in an amount up to \$..... in the manner,
13 upon the terms, and with the effect prescribed by Minnesota
14 Statutes, sections 16A.631 to 16A.675, and by the Minnesota
15 Constitution, article XI, sections 4 to 7.

16 Sec. 3. [APPROPRIATION; BROADBAND REVOLVING LOAN FUND.]

17 \$..... is appropriated from the bond proceeds fund to the
18 public facilities authority for deposit in the broadband
19 revolving loan fund created by Minnesota Statutes, section
20 446A.086, for the purposes of the fund."

21 Amend the title as follows:

22 Page 1, line 3, after the semicolon, insert "authorizing
23 bonds; appropriating money;"

24 And when so amended the bill do pass and be re-referred to
25 the Committee on Finance. Amendments adopted. Report adopted.

26

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28 (Committee Chair)

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31

April 1,, 2005.....
(Date of Committee recommendation)

1 To: Senator Anderson, Chair

2 Committee on Jobs, Energy and Community Development

3 Senator Kelley,

4 Chair of the Subcommittee on Telecommunications and
5 Technology, to which was referred

6 S.F. No. 1647: A bill for an act relating to
7 telecommunications; providing for a combined per number fee;
8 amending Minnesota Statutes 2004, section 403.11, subdivision 1;
9 proposing coding for new law in Minnesota Statutes, chapter 237;
10 repealing Minnesota Statutes 2004, sections 237.295,
11 subdivisions 1, 2, 3, 4; 237.49; 237.52, subdivisions 2, 3;
12 237.70, subdivision 6; 403.113, subdivision 1.

13 Reports the same back with the recommendation that the bill
14 be amended as follows:

15 Delete everything after the enacting clause and insert:

16 "Section 1. Minnesota Statutes 2004, section 237.295,
17 subdivision 1, is amended to read:

18 Subdivision 1. [~~PAYMENT-FOR-INVESTIGATION FILING FEE FOR~~
19 ~~NEW AUTHORITY.] (a)-Whenever-the-department-or-commission,-in-a~~
20 ~~proceeding-upon-its-own-motion,-on-complaint,-or-upon-an~~
21 ~~application-to-it,-considers-it-necessary,-in-order-to-carry-out~~
22 ~~the-duties-imposed-on-it,-to-investigate-the-books,-accounts,-~~
23 ~~practices,-and-activities-of-any-company,-parties-to-the~~
24 ~~proceeding-shall-pay-the-expenses-reasonably-attributable-to-the~~
25 ~~proceeding.--The-department-and-commission-shall-ascertain-the~~
26 ~~expenses,-and-the-department-shall-render-a-bill-for-those~~
27 ~~expenses-to-the-parties,-at-the-conclusion-of-the-proceeding-~~
28 ~~The-department-is-authorized-to-submit-billings-to-parties-at~~
29 ~~intervals-selected-by-the-department-during-the-course-of-a~~
30 ~~proceeding-~~

31 ~~(b)-The-allocation-of-costs-may-be-adjusted-for-cause-by~~
32 ~~the-commission-during-the-course-of-the-proceeding,-or-upon-the~~
33 ~~closing-of-the-docket-and-issuance-of-an-order.--In-addition-to~~
34 ~~the-rights-granted-in-subdivision-3,-parties-to-a-proceeding-may~~
35 ~~object-to-the-allocation-at-any-time-during-the-proceeding-~~
36 ~~Withdrawal-by-a-party-to-a-proceeding-does-not-absolve-the-party~~
37 ~~from-paying-allocated-costs-as-determined-by-the-commission-~~
38 ~~The-commission-may-decide-that-a-party-should-not-pay-any~~
39 ~~allocated-costs-of-the-proceeding-~~

40 ~~(c)-The-bill-constitutes-notice-of-the-assessment-and-a~~

1 demand-for-payment.---The-amount-of-the-bills-assessed-by-the
2 department-under-this-subdivision-must-be-paid-by-the-parties
3 into-the-state-treasury-within-30-days-from-the-date-of
4 assessment.---The-total-amount,--in-a-calendar-year,--for-which-a
5 telephone-company-may-become-liable,--by-reason-of-costs-incurred
6 by-the-department-and-commission-within-that-calendar-year,--may
7 not-exceed-two-fifths-of-one-percent-of-the-gross-jurisdictional
8 operating-revenue-of-the-telephone-company-in-the-last-preceding
9 calendar-year.---Direct-charges-may-be-assessed-without-regard-to
10 this-limitation-until-the-gross-jurisdictional-operating-revenue
11 of-the-telephone-company-for-the-preceding-calendar-year-has
12 been-reported-for-the-first-time.---Where,--under-this
13 subdivision,--costs-are-incurred-within-a-calendar-year-that-are
14 in-excess-of-two-fifths-of-one-percent-of-the-gross
15 jurisdictional-operating-revenues,--the-excess-costs-are-not
16 chargeable-as-part-of-the-remainder-under-subdivision-2.

17 (d)-Except-as-otherwise-provided-in-paragraph-(e),--for
18 purposes-of-assessing-the-cost-of-a-proceeding-to-a-party,
19 "party"-means-any-entity-or-group-subject-to-the-laws-and-rules
20 of-this-state,--however-organized,--whether-public-or-private,
21 whether-domestic-or-foreign,--whether-for-profit-or-nonprofit,
22 and-whether-natural,--corporate,--or-political,--such-as-a-business
23 or-commercial-enterprise-organized-as-any-type-or-combination-of
24 corporation,--limited-liability-company,--partnership,--limited
25 liability-partnership,--proprietorship,--association,--cooperative,
26 joint-venture,--carrier,--or-utility,--and-any-successor-or
27 assignee-of-any-of-them,--a-social-or-charitable-organization,
28 and-any-type-or-combination-of-political-subdivision,--which
29 includes-the-executive,--judicial,--or-legislative-branch-of-the
30 state,--a-local-government-unit,--an-agency-of-the-state-or-a
31 local-government-unit,--or-a-combination-of-any-of-them.

32 (e)-For-assessment-and-billing-purposes,--"party"-does-not
33 include-the-Department-of-Commerce-or-the-Residential-Utilities
34 Division-of-the-Office-of-Attorney-General,--any-entity-or-group
35 instituted-primarily-for-the-purpose-of-mutual-help-and-not
36 conducted-for-profit,--intervenor-awarded-compensation-under

1 ~~section-237.0757-subdivision-107-or-any-individual-or-group-or~~
2 ~~counsel-for-the-individual-or-group-representing-the-interests~~
3 ~~of-end-users-or-classes-of-end-users-of-services-provided-by~~
4 ~~telephone-companies-or-telecommunications-carriers,-as~~
5 ~~determined-by-the-commission~~ An application for a new authority
6 must be accompanied by a payment not to exceed \$2,000 as
7 determined by the Public Utilities Commission. This fee will be
8 reviewed annually and adjusted accordingly.

9 Sec. 2. Minnesota Statutes 2004, section 237.295,
10 subdivision 2, is amended to read:

11 Subd. 2. [ASSESSMENT OF COSTS.] The department and
12 commission shall quarterly, at least 30 days before the start of
13 each quarter, estimate the total of their expenditures in the
14 performance of their duties relating to telephone companies,
15 other than amounts chargeable to telephone companies under
16 subdivision 1, 5, or 6. The remainder must be assessed by the
17 department to the telephone companies operating in this state in
18 proportion to their respective gross jurisdictional operating
19 revenues during the last calendar year. The assessment must be
20 paid into the state treasury within 30 days after the bill has
21 been mailed to the telephone companies. The bill constitutes
22 notice of the assessment and demand of payment. ~~The total~~
23 ~~amount-that-may-be-assessed-to-the-telephone-companies-under~~
24 ~~this-subdivision-may-not-exceed-one-eighth-of-one-percent-of-the~~
25 ~~total-gross-jurisdictional-operating-revenues-during-the~~
26 ~~calendar-year.~~ The assessment for the third quarter of each
27 fiscal year must be adjusted to compensate for the amount by
28 which actual expenditures by the commission and department for
29 the preceding fiscal year were more or less than the estimated
30 expenditures previously assessed. A telephone company with
31 gross jurisdictional operating revenues of less than \$5,000 is
32 exempt from assessments under this subdivision.

33 Sec. 3. [237.491] [COMBINED PER NUMBER FEE.]

34 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
35 subdivision apply to this section.

36 (b) "911 emergency and public safety communications program"

1 means the program governed by chapter 403.

2 (c) "Service provider" means a provider doing business in
3 Minnesota who provides real time, two-way voice service
4 interconnected with the public switched telephone network using
5 numbers allocated for Minnesota assigned by the North American
6 Numbering Plan Administration.

7 (d) "Telecommunications access Minnesota program" means the
8 program governed by sections 237.50 to 237.55.

9 (e) "Telephone assistance program" means the program
10 governed by sections 237.69 to 237.711.

11 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
12 Utilities Commission shall establish a fee that applies to each
13 service provider based upon the amount of numbers allocated for
14 Minnesota assigned by the North American Numbering Plan
15 Administration in use by the provider. The fee must be set at a
16 level calculated to generate only the amount of revenue
17 necessary to fund:

18 (1) the telephone assistance program and the
19 telecommunications access Minnesota program at the levels
20 established by the commission under sections 237.52, subdivision
21 2, and 237.70; and

22 (2) the 911 emergency and public safety communications
23 program at the approved appropriation levels for current fiscal
24 years.

25 (b) Notwithstanding any law to the contrary, the Public
26 Utilities Commission shall, by order, establish the procedures
27 by which each service provider, to the extent allowed under
28 federal law, shall collect and remit the fee proceeds to the
29 Department of Revenue. The commissioner of revenue shall
30 allocate the fee proceeds to the three funding areas in
31 paragraph (a) and shall deposit the allocations into the
32 appropriate accounts.

33 (c) The per access line fee used to collect revenues to
34 support the TAP, TAM, and 911 programs shall remain in effect
35 until replaced by the per telephone number fee.

36 Sec. 4. Minnesota Statutes 2004, section 237.69,

1 subdivision 16, is amended to read:

2 Subd. 16. [TELEPHONE ASSISTANCE PLAN.] "Telephone
3 assistance plan" means the plan to be adopted by the commission
4 and to be jointly administered by the commission, the Department
5 of ~~Human-Services,-and-the-telephone-companies,~~ Commerce, and
6 the local service providers, as required by sections 237.69 to
7 237.711.

8 Sec. 5. Minnesota Statutes 2004, section 237.69, is
9 amended by adding a subdivision to read:

10 Subd. 18. [LOCAL SERVICE PROVIDER.] "Local service
11 provider" means:

12 (1) a telephone company or telecommunications carrier
13 providing local service in Minnesota pursuant to a certificate
14 of authority granted by the commission; or

15 (2) a commercial mobile radio service (CMRS) provider,
16 personal communications services (PCS) provider, or other
17 wireless provider offering the functional equivalent of CMRS or
18 PCS in Minnesota.

19 Sec. 6. Minnesota Statutes 2004, section 237.70,
20 subdivision 2, is amended to read:

21 Subd. 2. [SCOPE.] The telephone assistance plan must be
22 statewide and apply to local service providers that provide
23 ~~local-exchange~~ service in Minnesota.

24 Sec. 7. Minnesota Statutes 2004, section 237.70,
25 subdivision 5, is amended to read:

26 Subd. 5. [NATURE AND EXTENT OF CREDITS.] The telephone
27 assistance plan may provide for telephone assistance credits to
28 eligible households up to the amounts available under the
29 federal matching plan. However, the credits available under the
30 telephone assistance plan may not exceed:

31 (1) more than 50 percent of the local ~~exchange~~ rate charged
32 for the local ~~exchange~~ service provided to the household by that
33 household's local service provider; and

34 (2) the level of credits that can actually be funded in
35 accordance with the limitations contained in subdivision 6.

36 Sec. 8. [325F.991] [911 EMERGENCY PHONE SERVICE

1 REPRESENTATIONS.]

2 Subdivision 1. [DEFINITIONS.] For purposes of this
3 section, the terms defined in this subdivision have the meanings
4 given them.

5 (a) "911 emergency telecommunications system" means a
6 dedicated emergency telecommunications system required by
7 section 403.025.

8 (b) "Person" means an individual, corporation, firm, or
9 other legal entity.

10 (c) "Service provider" means a person doing business in
11 Minnesota who provides real time, two-way voice service
12 interconnected with the public switched telephone network using
13 numbers allocated for Minnesota by the North American Numbering
14 Plan Administration.

15 Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall
16 not advertise, market, or otherwise represent that the person
17 furnishes a service capable of providing access to emergency
18 services by dialing 911 unless the person provides a service
19 that routes 911 calls through the 911 emergency
20 telecommunications system.

21 Subd. 3. [DISCLOSURE.] A service provider must disclose in
22 all advertisements, marketing materials, and contracts whether
23 or not it provides 911 dialing that routes 911 calls through the
24 911 emergency telecommunications system. The disclosure must be
25 in capital letters, in 12-point font, and on the front page of
26 the advertisement, marketing materials, and contracts. For
27 service providers that do route 911 calls through the 911
28 emergency telecommunications system, the disclosure must state:
29 "THIS SERVICE INCLUDES 911 CALLING ROUTED THROUGH THE 911
30 EMERGENCY SYSTEM." For service providers that do not route 911
31 calls through the 911 emergency telecommunications system, the
32 disclosure must state: "THIS SERVICE DOES NOT ROUTE 911 CALLS
33 THROUGH THE 911 EMERGENCY SYSTEM."

34 Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of
35 this section, 911 calls routed to the general access number at a
36 public safety answering point do not qualify as being routed

1 through a 911 emergency telecommunications system.

2 Sec. 9. Minnesota Statutes 2004, section 403.06,
3 subdivision 1a, is amended to read:

4 Subd. 1a. [BIENNIAL BUDGET; ANNUAL FINANCIAL REPORT.] The
5 commissioner shall prepare a biennial budget for maintaining the
6 911 system. By December 15 of each year, the commissioner shall
7 submit a report to the legislature detailing the expenditures
8 for maintaining the 911 system, the 911 fees ~~collected~~ deposited
9 by the Department of Revenue, the balance of the 911 fund, and
10 the 911-related administrative expenses of the commissioner.
11 The commissioner is authorized to expend money that has been
12 appropriated to pay for the maintenance, enhancements, and
13 expansion of the 911 system.

14 Sec. 10. Minnesota Statutes 2004, section 403.11,
15 subdivision 1, is amended to read:

16 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]
17 (a) Each customer of a wireless or wire-line telecommunications
18 service provider that furnishes service capable of originating a
19 911 emergency telephone call is assessed a fee under section
20 237.491 to cover the costs of ongoing maintenance and related
21 improvements for trunking and central office switching equipment
22 for 911 emergency telecommunications service, plus
23 administrative and staffing costs of the commissioner related to
24 managing the 911 emergency telecommunications service program.
25 Recurring charges by a wire-line telecommunications service
26 provider for updating the information required by section
27 403.07, subdivision 3, must be paid by the commissioner if the
28 wire-line telecommunications service provider is included in an
29 approved 911 plan and the charges are made pursuant to tariff,
30 price list, or contract. A portion of the fee assessed under
31 this section 237.491 must also be used for the purpose of
32 offsetting the costs, including administrative and staffing
33 costs, incurred by the State Patrol Division of the Department
34 of Public Safety in handling 911 emergency calls made from
35 wireless phones.

36 (b) Money remaining in the 911 emergency telecommunications

1 service account after all other obligations are paid must not
2 cancel and is carried forward to subsequent years and may be
3 appropriated from time to time to the commissioner to provide
4 financial assistance to counties for the improvement of local
5 emergency telecommunications services. The improvements may
6 include providing access to 911 service for telecommunications
7 service subscribers currently without access and upgrading
8 existing 911 service to include automatic number identification,
9 local location identification, automatic location
10 identification, and other improvements specified in revised
11 county 911 plans approved by the commissioner.

12 (c) ~~The fee may not be less than eight cents nor more than~~
13 ~~40 cents a month for each customer access line or other basic~~
14 ~~access service, including trunk equivalents as designated by the~~
15 ~~Public Utilities Commission for access charge purposes and~~
16 ~~including wireless telecommunications services. With the~~
17 ~~approval of the commissioner of finance, the commissioner of~~
18 ~~public safety shall establish the amount of the fee within the~~
19 ~~limits specified and inform the companies and carriers of the~~
20 ~~amount to be collected. When the revenue bonds authorized under~~
21 ~~section 403.27, subdivision 1, have been fully paid or defeased,~~
22 ~~the commissioner shall reduce the fee to reflect that debt~~
23 ~~service on the bonds is no longer needed. The commissioner~~
24 ~~shall provide companies and carriers a minimum of 45 days~~
25 ~~notice of each fee change. The fee must be the same for all~~
26 ~~customers.~~

27 (d) ~~The fee must be collected by each wireless or wire-line~~
28 ~~telecommunications service provider subject to the fee. Fees~~
29 ~~are payable to and must be submitted to the commissioner monthly~~
30 ~~before the 25th of each month following the month of collection,~~
31 ~~except that fees may be submitted quarterly if less than \$250 a~~
32 ~~month is due, or annually if less than \$25 a month is due.~~
33 ~~Receipts must be deposited in the state treasury and credited to~~
34 ~~a 911 emergency telecommunications service account in the~~
35 ~~special revenue fund. The money in the account may only be used~~
36 ~~for 911 telecommunications services.~~

1 ~~(e)~~ This subdivision does not apply to customers of
2 interexchange carriers.

3 ~~(f)~~ (d) The installation and recurring charges for
4 integrating wireless 911 calls into enhanced 911 systems must be
5 paid by the commissioner if the 911 service provider is included
6 in the statewide design plan and the charges are made pursuant
7 to tariff, price list, or contract.

8 Sec. 11. Minnesota Statutes 2004, section 403.113,
9 subdivision 1, is amended to read:

10 Subdivision 1. [~~FEE GRANT.~~] ~~(a) Each-customer-receiving~~
11 ~~service-from-a-wireless-or-wire-line-telecommunications-service~~
12 ~~provider-is-assessed-a-fee~~ The commissioner shall budget for and
13 provide grants to PSAPs to fund implementation, operation,
14 maintenance, enhancement, and expansion of enhanced 911 service,
15 including acquisition of necessary equipment and the costs of
16 the commissioner to administer the program. ~~The-actual-fee~~
17 ~~assessed-under-section-403.11-and-the-enhanced-911-service-fee~~
18 ~~must-be-collected-as-one-amount-and-may-not-exceed-the-amount~~
19 ~~specified-in-section-403.11, subdivision 1, paragraph (e).~~

20 ~~(b) The-enhanced-911-service-fee-must-be-collected-and~~
21 ~~deposited-in-the-same-manner-as-the-fee-in-section-403.11-and~~
22 ~~used-solely-for-the-purposes-of-paragraph-(a)-and-subdivision-3.~~

23 ~~(e)~~ The commissioner, in consultation with counties and 911
24 system users, shall determine the amount of the enhanced 911
25 service fee grant. The fee grant must include at least ten
26 ~~cents-per-month~~ the amount funded in fiscal year 2005 to be
27 distributed under subdivision 2. ~~The-commissioner-shall-inform~~
28 ~~wireless-and-wire-line-telecommunications-service-providers-that~~
29 ~~provide-service-capable-of-originating-a-911-emergency-telephone~~
30 ~~call-of-the-total-amount-of-the-911-service-fees-in-the-same~~
31 ~~manner-as-provided-in-section-403.11.~~

32 Sec. 12. Minnesota Statutes 2004, section 403.30,
33 subdivision 1, is amended to read:

34 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]
35 For each fiscal year beginning with the fiscal year commencing
36 July 1, 1997, the amount necessary to pay the following costs is

1 appropriated to the commissioner of public safety from the 911
2 emergency telecommunications service account established under
3 section 403.11:

4 (1) debt service costs and reserves for bonds issued
5 pursuant to section 403.27;

6 (2) repayment of the right-of-way acquisition loans;

7 (3) costs of design, construction, maintenance of, and
8 improvements to those elements of the first, second, and third
9 phases that support mutual aid communications and emergency
10 medical services;

11 (4) recurring charges for leased sites and equipment for
12 those elements of the first, second, and third phases that
13 support mutual aid and emergency medical communication services;
14 or

15 (5) aid to local units of government for sites and
16 equipment in support of mutual aid and emergency medical
17 communications services.

18 This appropriation shall be used to pay annual debt service
19 costs and reserves for bonds issued pursuant to section 403.27
20 prior to use of fee money to pay other costs eligible under this
21 subdivision. In no event shall the appropriation for each
22 fiscal year exceed an amount equal to ~~four-cents-a-month-for~~
23 ~~each-customer-access-line-or-other-basic-access-service,~~
24 ~~including-trunk-equivalents-as-designated-by-the-Public~~
25 ~~Utilities-Commission-for-access-charge-purposes-and-including~~
26 ~~cellular-and-other-nonwire-access-services,-in-the-fiscal~~
27 year 4/40 of the amount collected by the fiscal year 2005 911
28 fee. Beginning July 1, ~~2004~~ 2005, this amount will increase
29 to ~~13-cents-a-month~~ 13/40 of the amount collected by the fiscal
30 year 2005 911 fee.

31 Sec. 13. [REPEALER.]

32 (a) Minnesota Statutes 2004, section 237.69, subdivisions 5
33 and 17, are repealed.

34 (b) Laws 1999, chapter 125, section 4, as amended by Laws
35 2002, chapter 398, section 2, is repealed.

36 Sec. 14. [EFFECTIVE DATE.]

1 Sections 1 to 13 are effective the day following final
2 enactment."

3 Delete the title and insert:

4 "A bill for an act relating to telecommunications;
5 providing for a combined per number fee; amending Minnesota
6 Statutes 2004, sections 237.295, subdivisions 1, 2; 237.69,
7 subdivision 16, by adding a subdivision; 237.70, subdivisions 2,
8 5; 403.06, subdivision 1a; 403.11, subdivision 1; 403.113,
9 subdivision 1; 403.30, subdivision 1; proposing coding for new
10 law in Minnesota Statutes, chapters 237; 325F; repealing
11 Minnesota Statutes 2004, section 237.69, subdivisions 5, 17;
12 Laws 1999, chapter 125, section 4, as amended."

13 And when so amended that the bill be recommended to pass
14 and be referred to the full committee.

15
16 *Steve Kelley*
17 (Subcommittee Chair)

18 March 30, 2005.....
19 (Date of Subcommittee action)

Senators Anderson, Rosen, Kelley and Gaither introduced--

S.F. No. 1647: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to telecommunications; providing for a

3 combined per number fee; amending Minnesota Statutes

4 2004, section 403.11, subdivision 1; proposing coding

5 for new law in Minnesota Statutes, chapter 237;

6 repealing Minnesota Statutes 2004, sections 237.295,

7 subdivisions 1, 2, 3, 4; 237.49; 237.52, subdivisions

8 2, 3; 237.70, subdivision 6; 403.113, subdivision 1.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

10 Section 1. [237.491] [COMBINED PER NUMBER FEE.]

11 Subdivision 1. [DEFINITIONS.] (a) The definitions in this

12 subdivision apply to this section.

13 (b) "911 emergency and public safety communications program"

14 means the program governed by chapter 403.

15 (c) "Service provider" means a provider doing business in

16 Minnesota who provides real time, two-way voice service

17 interconnected with the public switched telephone network using

18 numbers allocated for Minnesota assigned by the North American

19 Numbering Plan Administration.

20 (d) "State's telecommunications regulatory activities"

21 means the activities of the Department of Commerce and the

22 Public Utilities Commission to oversee the provision of real

23 time, two-way voice service interconnected with the public

24 switched telephone network.

25 (e) "Telecommunications access Minnesota program" means the

26 program governed by sections 237.50 to 237.55.

27 (f) "Telephone assistance program" means the program

1 governed by sections 237.69 to 237.711.

2 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
3 Utilities Commission shall establish a fee that applies to each
4 service provider based upon the amount of numbers allocated for
5 Minnesota assigned by the North American Numbering Plan
6 Administration in use by the provider. The fee must be set at a
7 level calculated to generate only the amount of revenue
8 necessary to fund the telephone assistance program, the
9 telecommunications access Minnesota program, the 911 emergency
10 and public safety communications program, and the state's
11 telecommunications regulatory activities at the levels funded in
12 fiscal years 2004 and 2005.

13 (b) Notwithstanding any law to the contrary, the Public
14 Utilities Commission shall, by order, establish the procedures
15 by which each service provider, to the extent allowed under
16 federal law, shall collect and remit the fee proceeds to the
17 Department of Revenue. The commissioner of revenue shall
18 allocate the fee proceeds to the four funding areas in paragraph
19 (a) in the proportion each area comprised of the total funding
20 for those areas in fiscal years 2004 and 2005, and shall deposit
21 the allocations into the appropriate accounts. The Department
22 of Commerce's allocation must be deposited into the special
23 revenue account established under section 237.30. Once
24 established, a change in the amount of the fee or the allocation
25 of fee revenues may only be made by legislative action.

26 Sec. 2. Minnesota Statutes 2004, section 403.11,
27 subdivision 1, is amended to read:

28 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]
29 (a) Each customer of a wireless or wire-line telecommunications
30 service provider that furnishes service capable of originating a
31 911 emergency telephone call is assessed a fee under section
32 237.491 to cover the costs of ongoing maintenance and related
33 improvements for trunking and central office switching equipment
34 for 911 emergency telecommunications service, plus
35 administrative and staffing costs of the commissioner related to
36 managing the 911 emergency telecommunications service program.

1 Recurring charges by a wire-line telecommunications service
2 provider for updating the information required by section
3 403.07, subdivision 3, must be paid by the commissioner if the
4 wire-line telecommunications service provider is included in an
5 approved 911 plan and the charges are made pursuant to tariff,
6 price list, or contract. A portion of the fee assessed under
7 this section 237.491 must also be used for the purpose of
8 offsetting the costs, including administrative and staffing
9 costs, incurred by the State Patrol Division of the Department
10 of Public Safety in handling 911 emergency calls made from
11 wireless phones.

12 (b) Money remaining in the 911 emergency telecommunications
13 service account after all other obligations are paid must not
14 cancel and is carried forward to subsequent years and may be
15 appropriated from time to time to the commissioner to provide
16 financial assistance to counties for the improvement of local
17 emergency telecommunications services. The improvements may
18 include providing access to 911 service for telecommunications
19 service subscribers currently without access and upgrading
20 existing 911 service to include automatic number identification,
21 local location identification, automatic location
22 identification, and other improvements specified in revised
23 county 911 plans approved by the commissioner.

24 ~~(c) The fee may not be less than eight cents nor more than~~
25 ~~40 cents a month for each customer access line or other basic~~
26 ~~access service, including trunk equivalents as designated by the~~
27 ~~Public Utilities Commission for access charge purposes and~~
28 ~~including wireless telecommunications services. With the~~
29 ~~approval of the commissioner of finance, the commissioner of~~
30 ~~public safety shall establish the amount of the fee within the~~
31 ~~limits specified and inform the companies and carriers of the~~
32 ~~amount to be collected. When the revenue bonds authorized under~~
33 ~~section 403.27, subdivision 1, have been fully paid or defeased,~~
34 ~~the commissioner shall reduce the fee to reflect that debt~~
35 ~~service on the bonds is no longer needed. The commissioner~~
36 ~~shall provide companies and carriers a minimum of 45 days~~

1 notice-of-each-fee-change.--The-fee-must-be-the-same-for-all
2 customers.

3 ~~(d)-The-fee-must-be-collected-by-each-wireless-or-wire-line~~
4 ~~telecommunications-service-provider-subject-to-the-fee.--Fees~~
5 ~~are-payable-to-and-must-be-submitted-to-the-commissioner-monthly~~
6 ~~before-the-25th-of-each-month-following-the-month-of-collection,~~
7 ~~except-that-fees-may-be-submitted-quarterly-if-less-than-\$250-a~~
8 ~~month-is-due,or-annually-if-less-than-\$25-a-month-is-due.~~
9 ~~Receipts-must-be-deposited-in-the-state-treasury-and-credited-to~~
10 ~~a-911-emergency-telecommunications-service-account-in-the~~
11 ~~special-revenue-fund.--The-money-in-the-account-may-only-be-used~~
12 ~~for-911-telecommunications-services.~~

13 (e) This subdivision does not apply to customers of
14 interexchange carriers.

15 (f) (d) The installation and recurring charges for
16 integrating wireless 911 calls into enhanced 911 systems must be
17 paid by the commissioner if the 911 service provider is included
18 in the statewide design plan and the charges are made pursuant
19 to tariff, price list, or contract.

20 Sec. 3. [REPEALER.]

21 Minnesota Statutes 2004, sections 237.295, subdivisions 1,
22 2, 3, and 4; 237.49; 237.52, subdivisions 2 and 3; 237.70,
23 subdivision 6; and 403.113, subdivision 1, are repealed.

24 Sec. 4. [EFFECTIVE DATE.]

25 Section 1 is effective the day following final enactment.

26 Sections 2 and 3 are effective December 31, 2006.

APPENDIX
Repealed Minnesota Statutes for 05-0322

237.295 ASSESSMENT OF REGULATORY EXPENSES.

Subdivision 1. Payment for investigation. (a)

Whenever the department or commission, in a proceeding upon its own motion, on complaint, or upon an application to it, considers it necessary, in order to carry out the duties imposed on it, to investigate the books, accounts, practices, and activities of any company, parties to the proceeding shall pay the expenses reasonably attributable to the proceeding. The department and commission shall ascertain the expenses, and the department shall render a bill for those expenses to the parties, at the conclusion of the proceeding. The department is authorized to submit billings to parties at intervals selected by the department during the course of a proceeding.

(b) The allocation of costs may be adjusted for cause by the commission during the course of the proceeding, or upon the closing of the docket and issuance of an order. In addition to the rights granted in subdivision 3, parties to a proceeding may object to the allocation at any time during the proceeding. Withdrawal by a party to a proceeding does not absolve the party from paying allocated costs as determined by the commission. The commission may decide that a party should not pay any allocated costs of the proceeding.

(c) The bill constitutes notice of the assessment and a demand for payment. The amount of the bills assessed by the department under this subdivision must be paid by the parties into the state treasury within 30 days from the date of assessment. The total amount, in a calendar year, for which a telephone company may become liable, by reason of costs incurred by the department and commission within that calendar year, may not exceed two-fifths of one percent of the gross jurisdictional operating revenue of the telephone company in the last preceding calendar year. Direct charges may be assessed without regard to this limitation until the gross jurisdictional operating revenue of the telephone company for the preceding calendar year has been reported for the first time. Where, under this subdivision, costs are incurred within a calendar year that are in excess of two-fifths of one percent of the gross jurisdictional operating revenues, the excess costs are not chargeable as part of the remainder under subdivision 2.

(d) Except as otherwise provided in paragraph (e), for purposes of assessing the cost of a proceeding to a party, "party" means any entity or group subject to the laws and rules of this state, however organized, whether public or private, whether domestic or foreign, whether for profit or nonprofit, and whether natural, corporate, or political, such as a business or commercial enterprise organized as any type or combination of corporation, limited liability company, partnership, limited liability partnership, proprietorship, association, cooperative, joint venture, carrier, or utility, and any successor or assignee of any of them; a social or charitable organization; and any type or combination of political subdivision, which includes the executive, judicial, or legislative branch of the state, a local government unit, an agency of the state or a local government unit, or a combination of any of them.

(e) For assessment and billing purposes, "party" does not include the Department of Commerce or the Residential Utilities Division of the Office of Attorney General; any entity or group instituted primarily for the purpose of mutual help and not conducted for profit; intervenors awarded compensation under

APPENDIX
Repealed Minnesota Statutes for 05-0322

section 237.075, subdivision 10; or any individual or group or counsel for the individual or group representing the interests of end users or classes of end users of services provided by telephone companies or telecommunications carriers, as determined by the commission.

Subd. 2. **Assessment of costs.** The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to telephone companies, other than amounts chargeable to telephone companies under subdivision 1, 5, or 6. The remainder must be assessed by the department to the telephone companies operating in this state in proportion to their respective gross jurisdictional operating revenues during the last calendar year. The assessment must be paid into the state treasury within 30 days after the bill has been mailed to the telephone companies. The bill constitutes notice of the assessment and demand of payment. The total amount that may be assessed to the telephone companies under this subdivision may not exceed one-eighth of one percent of the total gross jurisdictional operating revenues during the calendar year. The assessment for the third quarter of each fiscal year must be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed. A telephone company with gross jurisdictional operating revenues of less than \$5,000 is exempt from assessments under this subdivision.

Subd. 3. **Objection.** Within 30 days after the date of the mailing of any bill as provided by subdivisions 1, 2, 5, and 6, the parties to the proceeding, against which the bill has been assessed, may file with the commission objections setting out the grounds upon which it is claimed the bill is excessive, erroneous, unlawful, or invalid. The commission shall within 60 days issue an order in accordance with its findings. The order shall be appealable in the same manner as other final orders of the commission.

Subd. 4. **Interest imposed.** The amounts assessed against any telephone company or other party that is not paid after 30 days after the mailing of a notice advising the telephone company or other party of the amount assessed against it, shall draw interest at the rate of six percent per annum, and upon failure to pay the assessment the attorney general shall proceed by action in the name of the state against the telephone company or other party to collect the amount due, together with interest and the cost of the suit.

237.49 COMBINED LOCAL ACCESS SURCHARGE.

Each local telephone company shall collect from each subscriber an amount per telephone access line representing the total of the surcharges required under sections 237.52, 237.70, and 403.11. Amounts collected must be remitted to the commissioner of public safety in the manner prescribed in section 403.11. The commissioner of public safety shall divide the amounts received proportional to the individual surcharges and deposit them in the appropriate accounts. The commissioner of public safety may recover from the agencies receiving the surcharges the personnel and administrative costs to collect and distribute the surcharge. A company or the billing agent for a company shall list the surcharges as one amount on a billing statement sent to a subscriber.

APPENDIX
Repealed Minnesota Statutes for 05-0322

237.52 TELECOMMUNICATIONS ACCESS MINNESOTA FUND.

Subd. 2. **Assessment.** The commissioner of commerce shall annually recommend to the commission an adequate and appropriate surcharge and budget to implement sections 237.50 to 237.56. The Public Utilities Commission shall review the budget for reasonableness and may modify the budget to the extent it is unreasonable. The commission shall annually determine the funding mechanism to be used within 60 days of receipt of the recommendation of the department and shall order the imposition of surcharges effective on the earliest practicable date. The commission shall establish a monthly charge no greater than 20 cents for each customer access line, including trunk equivalents as designated by the commission pursuant to section 403.11, subdivision 1.

Subd. 3. **Collection.** Every telephone company or communications carrier that provides service capable of originating a telecommunications relay call, including cellular communications and other nonwire access services, in this state shall collect the charges established by the commission under subdivision 2 and transfer amounts collected to the commissioner of public safety in the same manner as provided in section 403.11, subdivision 1, paragraph (d). The commissioner of public safety must deposit the receipts in the fund established in subdivision 1.

237.70 DEVELOPMENT OF TELEPHONE ASSISTANCE PLAN.

Subd. 6. **Funding.** The commission shall provide for the funding of the telephone assistance plan by assessing a uniform recurring monthly surcharge, not to exceed ten cents per access line, applicable to all classes and grades of access lines provided by each local service provider in the state.

403.113 ENHANCED 911 SERVICE COSTS; FEE.

Subdivision 1. **Fee.** (a) Each customer receiving service from a wireless or wire-line telecommunications service provider is assessed a fee to fund implementation, operation, maintenance, enhancement, and expansion of enhanced 911 service, including acquisition of necessary equipment and the costs of the commissioner to administer the program. The actual fee assessed under section 403.11 and the enhanced 911 service fee must be collected as one amount and may not exceed the amount specified in section 403.11, subdivision 1, paragraph (c).

(b) The enhanced 911 service fee must be collected and deposited in the same manner as the fee in section 403.11 and used solely for the purposes of paragraph (a) and subdivision 3.

(c) The commissioner, in consultation with counties and 911 system users, shall determine the amount of the enhanced 911 service fee. The fee must include at least ten cents per month to be distributed under subdivision 2. The commissioner shall inform wireless and wire-line telecommunications service providers that provide service capable of originating a 911 emergency telephone call of the total amount of the 911 service fees in the same manner as provided in section 403.11.

1 Senator moves to amend the Report of the Subcommittee
2 on Telecommunications and Technology (SS1647SUB) to S.F. No.
3 1647 as follows:

4 Page 4, line 21, delete "and"

5 Page 4, line 24, before the period, insert "; and

6 (3) an amount equivalent to the amount that would have been
7 raised by a 25 cent per access line monthly fee as of January 1,
8 2005.

9 The funds generated pursuant to clause (3) must be used solely
10 to finance the expansion of the 800 megahertz public safety
11 radio system and may not be used for any other purpose."

1 Senator Anderson from the Committee on Jobs, Energy and
2 Community Development, to which was referred

3 S.F. No. 1647: A bill for an act relating to
4 telecommunications; providing for a combined per number fee;
5 amending Minnesota Statutes 2004, section 403.11, subdivision 1;
6 proposing coding for new law in Minnesota Statutes, chapter 237;
7 repealing Minnesota Statutes 2004, sections 237.295,
8 subdivisions 1, 2, 3, 4; 237.49; 237.52, subdivisions 2, 3;
9 237.70, subdivision 6; 403.113, subdivision 1.

10 Reports the same back with the recommendation that the bill
11 be amended as follows:

12 Delete everything after the enacting clause and insert:

13 "Section 1. Minnesota Statutes 2004, section 237.295,
14 subdivision 1, is amended to read:

15 Subdivision 1. [~~PAYMENT-FOR-INVESTIGATION FILING FEE FOR~~
16 ~~NEW AUTHORITY.~~] ~~{a}-Whenever the department or commission, in a~~
17 ~~proceeding upon its own motion, on complaint, or upon an~~
18 ~~application to it, considers it necessary, in order to carry out~~
19 ~~the duties imposed on it, to investigate the books, accounts,~~
20 ~~practices, and activities of any company, parties to the~~
21 ~~proceeding shall pay the expenses reasonably attributable to the~~
22 ~~proceeding. The department and commission shall ascertain the~~
23 ~~expenses, and the department shall render a bill for those~~
24 ~~expenses to the parties, at the conclusion of the proceeding.~~
25 ~~The department is authorized to submit billings to parties at~~
26 ~~intervals selected by the department during the course of a~~
27 ~~proceeding.~~

28 ~~{b}-The allocation of costs may be adjusted for cause by~~
29 ~~the commission during the course of the proceeding, or upon the~~
30 ~~closing of the docket and issuance of an order. In addition to~~
31 ~~the rights granted in subdivision 3, parties to a proceeding may~~
32 ~~object to the allocation at any time during the proceeding.~~
33 ~~Withdrawal by a party to a proceeding does not absolve the party~~
34 ~~from paying allocated costs as determined by the commission.~~
35 ~~The commission may decide that a party should not pay any~~
36 ~~allocated costs of the proceeding.~~

37 ~~{c}-The bill constitutes notice of the assessment and a~~
38 ~~demand for payment. The amount of the bills assessed by the~~
39 ~~department under this subdivision must be paid by the parties~~
40 ~~into the state treasury within 30 days from the date of~~

1 assessment.--The total amount, in a calendar year, for which a
2 telephone company may become liable, by reason of costs incurred
3 by the department and commission within that calendar year, may
4 not exceed two-fifths of one percent of the gross jurisdictional
5 operating revenue of the telephone company in the last preceding
6 calendar year.--Direct charges may be assessed without regard to
7 this limitation until the gross jurisdictional operating revenue
8 of the telephone company for the preceding calendar year has
9 been reported for the first time.--Where, under this
10 subdivision, costs are incurred within a calendar year that are
11 in excess of two-fifths of one percent of the gross
12 jurisdictional operating revenues, the excess costs are not
13 chargeable as part of the remainder under subdivision 2.

14 (d) Except as otherwise provided in paragraph (e), for
15 purposes of assessing the cost of a proceeding to a party,
16 "party" means any entity or group subject to the laws and rules
17 of this state, however organized, whether public or private,
18 whether domestic or foreign, whether for profit or nonprofit,
19 and whether natural, corporate, or political, such as a business
20 or commercial enterprise organized as any type or combination of
21 corporation, limited liability company, partnership, limited
22 liability partnership, proprietorship, association, cooperative,
23 joint venture, carrier, or utility, and any successor or
24 assignee of any of them, a social or charitable organization,
25 and any type or combination of political subdivision, which
26 includes the executive, judicial, or legislative branch of the
27 state, a local government unit, an agency of the state or a
28 local government unit, or a combination of any of them.

29 (e) For assessment and billing purposes, "party" does not
30 include the Department of Commerce or the Residential Utilities
31 Division of the Office of Attorney General, any entity or group
32 instituted primarily for the purpose of mutual help and not
33 conducted for profit, intervenors awarded compensation under
34 section 237:075, subdivision 10, or any individual or group or
35 counsel for the individual or group representing the interests
36 of end users or classes of end users of services provided by

1 ~~telephone-companies-or-telecommunications-carriers,-as~~
2 ~~determined-by-the-commission~~ An application for a new authority
3 must be accompanied by a payment not to exceed \$2,000 as
4 determined by the Public Utilities Commission. This fee will be
5 reviewed annually and adjusted accordingly.

6 Sec. 2. Minnesota Statutes 2004, section 237.295,
7 subdivision 2, is amended to read:

8 Subd. 2. [ASSESSMENT OF COSTS.] The department and
9 commission shall quarterly, at least 30 days before the start of
10 each quarter, estimate the total of their expenditures in the
11 performance of their duties relating to telephone companies,
12 other than amounts chargeable to telephone companies under
13 subdivision 1, 5, or 6. The remainder must be assessed by the
14 department to the telephone companies operating in this state in
15 proportion to their respective gross jurisdictional operating
16 revenues during the last calendar year. The assessment must be
17 paid into the state treasury within 30 days after the bill has
18 been mailed to the telephone companies. The bill constitutes
19 notice of the assessment and demand of payment. ~~The total~~
20 ~~amount-that-may-be-assessed-to-the-telephone-companies-under~~
21 ~~this-subdivision-may-not-exceed-one-eighth-of-one-percent-of-the~~
22 ~~total-gross-jurisdictional-operating-revenues-during-the~~
23 ~~calendar-year.~~ The assessment for the third quarter of each
24 fiscal year must be adjusted to compensate for the amount by
25 which actual expenditures by the commission and department for
26 the preceding fiscal year were more or less than the estimated
27 expenditures previously assessed. A telephone company with
28 gross jurisdictional operating revenues of less than \$5,000 is
29 exempt from assessments under this subdivision.

30 Sec. 3. [237.491] [COMBINED PER NUMBER FEE.]

31 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
32 subdivision apply to this section.

33 (b) "911 emergency and public safety communications program"
34 means the program governed by chapter 403.

35 (c) "Service provider" means a provider doing business in
36 Minnesota who provides real time, two-way voice service with a

1 Minnesota telephone number. "Minnesota telephone number" means
2 a ten-digit telephone number being used to connect to the public
3 switched telephone network and starting with area code 651, 612,
4 763, 952, 320, 218, or 507, or any subsequent area code assigned
5 to Minnesota.

6 (d) "Telecommunications access Minnesota program" means the
7 program governed by sections 237.50 to 237.55.

8 (e) "Telephone assistance program" means the program
9 governed by sections 237.69 to 237.711.

10 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
11 Utilities Commission shall establish a fee that applies to each
12 service provider based upon the number of Minnesota telephone
13 numbers in use by current customers of the service provider.
14 The fee must be set at a level calculated to generate only the
15 amount of revenue necessary to fund:

16 (1) the telephone assistance program and the
17 telecommunications access Minnesota program at the levels
18 established by the commission under sections 237.52, subdivision
19 2, and 237.70; and

20 (2) the 911 emergency and public safety communications
21 program at the levels certified by the commissioner of public
22 safety for purposes of sections 403.11, 403.113, 403.27, 403.30,
23 and 403.31 for current fiscal years.

24 (b) Notwithstanding any law to the contrary, the Public
25 Utilities Commission shall, by order, establish the procedures
26 by which each service provider, to the extent allowed under
27 federal law, shall collect and remit the fee proceeds to the
28 Department of Revenue. The commissioner of revenue shall
29 allocate the fee proceeds to the three funding areas in
30 paragraph (a) and shall deposit the allocations into the
31 appropriate accounts.

32 (c) The per access line fee used to collect revenues to
33 support the TAP, TAM, and 911 programs shall remain in effect
34 until replaced by the per telephone number fee.

35 Sec. 4. Minnesota Statutes 2004, section 237.69,
36 subdivision 16, is amended to read:

1 Subd. 16. [TELEPHONE ASSISTANCE PLAN.] "Telephone
2 assistance plan" means the plan to be adopted by the commission
3 and to be jointly administered by the commission, the Department
4 of ~~Human-Services,-and-the-telephone-companies,~~ Commerce, and
5 the local service providers, as required by sections 237.69 to
6 237.711.

7 Sec. 5. Minnesota Statutes 2004, section 237.69, is
8 amended by adding a subdivision to read:

9 Subd. 18. [LOCAL SERVICE PROVIDER.] "Local service
10 provider" means:

11 (1) a telephone company or telecommunications carrier
12 providing local service in Minnesota pursuant to a certificate
13 of authority granted by the commission; or

14 (2) a commercial mobile radio service (CMRS) provider,
15 personal communications services (PCS) provider, or other
16 wireless provider offering the functional equivalent of CMRS or
17 PCS in Minnesota, which has been designated by the commission as
18 an eligible telecommunications carrier in Minnesota pursuant to
19 47 United States Code, section 214, and relevant federal
20 regulations.

21 Sec. 6. Minnesota Statutes 2004, section 237.70,
22 subdivision 2, is amended to read:

23 Subd. 2. [SCOPE.] The telephone assistance plan must be
24 statewide and apply to local service providers that provide
25 ~~local-exchange~~ service in Minnesota.

26 Sec. 7. Minnesota Statutes 2004, section 237.70,
27 subdivision 5, is amended to read:

28 Subd. 5. [NATURE AND EXTENT OF CREDITS.] The telephone
29 assistance plan may provide for telephone assistance credits to
30 eligible households up to the amounts available under the
31 federal matching plan. However, the credits available under the
32 telephone assistance plan may not exceed:

33 (1) more than 50 percent of the local ~~exchange~~ rate charged
34 for the local ~~exchange~~ service provided to the household by that
35 household's local service provider; and

36 (2) the level of credits that can actually be funded in

1 accordance with the limitations contained in subdivision 6.

2 Sec. 8. Minnesota Statutes 2004, section 237.701,
3 subdivision 1, is amended to read:

4 Subdivision 1. [FUND CREATED; AUTHORIZED EXPENDITURES.]

5 The telephone assistance fund is created as a separate account
6 in the state treasury to consist of amounts received by the
7 commissioner of public safety representing the surcharge
8 authorized by section 237.70, subdivision 6, and amounts earned
9 on the fund assets. Money in the fund may be used only for:

10 (1) reimbursement to local service providers for expenses
11 and credits allowed in section 237.70, subdivision 7, paragraph
12 (d), clause (5);

13 (2) reimbursement of the reasonable administrative expenses
14 of the commission ~~net-to-exceed-\$25,000-annually~~, a portion of
15 which may be used for periodic promotional activities,
16 including, but not limited to, radio or newspaper
17 advertisements, to inform eligible households of the
18 availability of the telephone assistance program; and

19 (3) reimbursement of the statewide indirect cost of the
20 commission.

21 Sec. 9. [325F.991] [911 EMERGENCY PHONE SERVICE
22 REPRESENTATIONS.]

23 Subdivision 1. [DEFINITIONS.] For purposes of this
24 section, the terms defined in this subdivision have the meanings
25 given them.

26 (a) "911 emergency telecommunications system" means a
27 dedicated emergency telecommunications system required by
28 section 403.025.

29 (b) "Person" means an individual, corporation, firm, or
30 other legal entity.

31 (c) "Service provider" means a person doing business in
32 Minnesota who provides real time, two-way voice service
33 interconnected with the public switched telephone network using
34 numbers allocated for Minnesota by the North American Numbering
35 Plan Administration.

36 Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall

1 not advertise, market, or otherwise represent that the person
2 furnishes a service capable of providing access to emergency
3 services by dialing 911 unless the person provides a service
4 that routes 911 calls through the 911 emergency
5 telecommunications system.

6 Subd. 3. [DISCLOSURE.] A service provider that does not
7 provide 911 dialing that routes 911 calls through the 911
8 emergency telecommunications system must disclose that fact in
9 all advertisements, marketing materials, and contracts. The
10 disclosure must be in capital letters, in 12-point font, and on
11 the front page of the advertisement, marketing materials, and
12 contracts. The disclosure must state: "THIS SERVICE DOES NOT
13 ROUTE 911 CALLS THROUGH THE 911 EMERGENCY SYSTEM."

14 Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of
15 this section, 911 calls routed to the general access number at a
16 public safety answering point do not qualify as being routed
17 through a 911 emergency telecommunications system.

18 Sec. 10. Minnesota Statutes 2004, section 403.06,
19 subdivision 1a, is amended to read:

20 Subd. 1a. [BIENNIAL BUDGET; ANNUAL FINANCIAL REPORT.] The
21 commissioner shall prepare a biennial budget for maintaining the
22 911 system. By December 15 of each year, the commissioner shall
23 submit a report to the legislature detailing the expenditures
24 for maintaining the 911 system, the 911 fees ~~collected~~ deposited
25 by the Department of Revenue, the balance of the 911 fund, and
26 the 911-related administrative expenses of the commissioner.
27 The commissioner is authorized to expend money that has been
28 appropriated to pay for the maintenance, enhancements, and
29 expansion of the 911 system.

30 Sec. 11. Minnesota Statutes 2004, section 403.11,
31 subdivision 1, is amended to read:

32 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]
33 (a) Each customer of a wireless or wire-line telecommunications
34 service provider that furnishes service capable of originating a
35 911 emergency telephone call is assessed a fee under section
36 237.491 to cover the costs of ongoing maintenance and related

1 improvements for trunking and central office switching equipment
2 for 911 emergency telecommunications service, plus
3 administrative and staffing costs of the commissioner related to
4 managing the 911 emergency telecommunications service program.
5 Recurring charges by a wire-line telecommunications service
6 provider for updating the information required by section
7 403.07, subdivision 3, must be paid by the commissioner if the
8 wire-line telecommunications service provider is included in an
9 approved 911 plan and the charges are made pursuant to tariff,
10 price list, or contract. A portion of the fee assessed under
11 this section 237.491 must also be used for the purpose of
12 offsetting the costs, including administrative and staffing
13 costs, incurred by the State Patrol Division of the Department
14 of Public Safety in handling 911 emergency calls made from
15 wireless phones.

16 (b) Money remaining in the 911 emergency telecommunications
17 service account after all other obligations are paid must not
18 cancel and is carried forward to subsequent years and may be
19 appropriated from time to time to the commissioner to provide
20 financial assistance to counties for the improvement of local
21 emergency telecommunications services. The improvements may
22 include providing access to 911 service for telecommunications
23 service subscribers currently without access and upgrading
24 existing 911 service to include automatic number identification,
25 local location identification, automatic location
26 identification, and other improvements specified in revised
27 county 911 plans approved by the commissioner.

28 ~~(c) The fee may not be less than eight cents nor more than~~
29 ~~40 cents a month for each customer access line or other basic~~
30 ~~access service, including trunk equivalents as designated by the~~
31 ~~Public Utilities Commission for access charge purposes and~~
32 ~~including wireless telecommunications services. With the~~
33 ~~approval of the commissioner of finance, the commissioner of~~
34 ~~public safety shall establish the amount of the fee within the~~
35 ~~limits specified and inform the companies and carriers of the~~
36 ~~amount to be collected. When the revenue bonds authorized under~~

1 section-403.27, subdivision 1, have been fully paid or defeased,
 2 the commissioner shall reduce the fee to reflect that debt
 3 service on the bonds is no longer needed. -- The commissioner
 4 shall provide companies and carriers a minimum of 45 days'
 5 notice of each fee change. -- The fee must be the same for all
 6 customers.

7 (d) The fee must be collected by each wireless or wire-line
 8 telecommunications service provider subject to the fee. -- Fees
 9 are payable to and must be submitted to the commissioner monthly
 10 before the 25th of each month following the month of collection,
 11 except that fees may be submitted quarterly if less than \$250 a
 12 month is due, or annually if less than \$25 a month is due.
 13 Receipts must be deposited in the state treasury and credited to
 14 a 911 emergency telecommunications service account in the
 15 special revenue fund. -- The money in the account may only be used
 16 for 911 telecommunications services.

17 (e) This subdivision does not apply to customers of
 18 interexchange carriers.

19 (f) (d) The installation and recurring charges for
 20 integrating wireless 911 calls into enhanced 911 systems must be
 21 paid by the commissioner if the 911 service provider is included
 22 in the statewide design plan and the charges are made pursuant
 23 to tariff, price list, or contract.

24 Sec. 12. Minnesota Statutes 2004, section 403.113,
 25 subdivision 1, is amended to read:

26 Subdivision 1. [FEE GRANT.] (a) Each customer receiving
 27 service from a wireless or wire-line telecommunications service
 28 provider is assessed a fee The commissioner shall budget for and
 29 provide grants to PSAPs to fund implementation, operation,
 30 maintenance, enhancement, and expansion of enhanced 911 service,
 31 including acquisition of necessary equipment and the costs of
 32 the commissioner to administer the program. The actual fee
 33 assessed under section 403.11 and the enhanced 911 service fee
 34 must be collected as one amount and may not exceed the amount
 35 specified in section 403.11, subdivision 1, paragraph (c).

36 (b) The enhanced 911 service fee must be collected and

1 ~~deposited-in-the-same-manner-as-the-fee-in-section-403.11-and~~
 2 ~~used-solely-for-the-purposes-of-paragraph-(a)-and-subdivision-3-~~
 3 (e) The commissioner, in consultation with counties and 911
 4 system users, shall determine the amount of the enhanced 911
 5 service fee grant. The fee grant must include at least ten
 6 cents-per-month the amount funded in fiscal year 2005 to be
 7 distributed under subdivision 2. ~~The-commissioner-shall-inform~~
 8 ~~wireless-and-wire-line-telecommunications-service-providers-that~~
 9 ~~provide-service-capable-of-originating-a-911-emergency-telephone~~
 10 ~~call-of-the-total-amount-of-the-911-service-fees-in-the-same~~
 11 ~~manner-as-provided-in-section-403.11.~~

12 Sec. 13. Minnesota Statutes 2004, section 403.30,
 13 subdivision 1, is amended to read:

14 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]
 15 For each fiscal year beginning with the fiscal year commencing
 16 July 1, 1997, the amount necessary to pay the following costs is
 17 appropriated to the commissioner of public safety from the 911
 18 emergency telecommunications service account established under
 19 section 403.11:

20 (1) debt service costs and reserves for bonds issued
 21 pursuant to section 403.27;

22 (2) repayment of the right-of-way acquisition loans;

23 (3) costs of design, construction, maintenance of, and
 24 improvements to those elements of the first, second, and third
 25 phases that support mutual aid communications and emergency
 26 medical services;

27 (4) recurring charges for leased sites and equipment for
 28 those elements of the first, second, and third phases that
 29 support mutual aid and emergency medical communication services;
 30 or

31 (5) aid to local units of government for sites and
 32 equipment in support of mutual aid and emergency medical
 33 communications services.

34 This appropriation shall be used to pay annual debt service
 35 costs and reserves for bonds issued pursuant to section 403.27
 36 prior to use of fee money to pay other costs eligible under this

1 subdivision. In no event shall the appropriation for each
 2 fiscal year exceed an amount equal to ~~four-cents-a-month-for~~
 3 ~~each-customer-access-line-or-other-basic-access-service,~~
 4 ~~including-trunk-equivalents-as-designated-by-the-Public~~
 5 ~~Utilities-Commission-for-access-charge-purposes-and-including~~
 6 ~~cellular-and-other-nonwire-access-services,-in-the-fiscal~~
 7 ~~year 4/40 of the amount collected by the fiscal year 2005 911~~
 8 ~~fee.~~ Beginning July 1, ~~2004~~ 2005, this amount will increase
 9 to ~~13-cents-a-month~~ 13/40 of the amount collected by the fiscal
 10 year 2005 911 fee.

11 Sec. 14. [REPEALER.]

12 (a) Minnesota Statutes 2004, section 237.69, subdivisions 5
 13 and 17, are repealed.

14 (b) Laws 1999, chapter 125, section 4, as amended by Laws
 15 2002, chapter 398, section 2, is repealed.

16 Sec. 15. [EFFECTIVE DATE.]

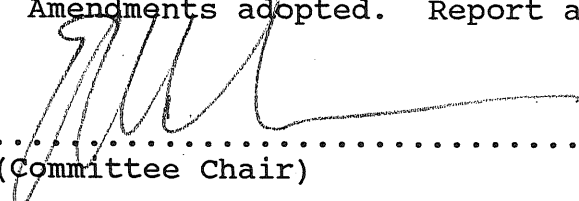
17 Sections 1 to 14 are effective the day following final
 18 enactment."

19 Delete the title and insert:

20 "A bill for an act relating to telecommunications;
 21 providing for a combined per number fee; amending Minnesota
 22 Statutes 2004, sections 237.295, subdivisions 1, 2; 237.69,
 23 subdivision 16, by adding a subdivision; 237.70, subdivisions 2,
 24 5; 237.701, subdivision 1; 403.06, subdivision 1a; 403.11,
 25 subdivision 1; 403.113, subdivision 1; 403.30, subdivision 1;
 26 proposing coding for new law in Minnesota Statutes, chapters
 27 237; 325F; repealing Minnesota Statutes 2004, section 237.69,
 28 subdivisions 5, 17; Laws 1999, chapter 125, section 4, as
 29 amended."

30 And when so amended the bill do pass and be re-referred to
 31 the Committee on Finance. Amendments adopted. Report adopted.

32
 33
 34
 35
 36
 37



 (Committee Chair)
 April 1, 2005.....
 (Date of Committee recommendation)

1 To: Senator Anderson, Chair
 2 Committee on Jobs, Energy and Community Development
 3 Senator Kelley,
 4 Chair of the Subcommittee on Telecommunications and
 5 Technology, to which was referred

6 S.F. No. 1370: A bill for an act relating to
 7 telecommunications; providing for standardized provider
 8 contracts; proposing coding for new law in Minnesota Statutes,
 9 chapter 237.

10 Reports the same back with the recommendation that the bill
 11 be amended as follows:

12 Delete everything after the enacting clause and insert:

13 "ARTICLE 1

14 REGULATORY RELIEF

15 Section 1. Minnesota Statutes 2004, section 237.11, is
 16 amended to read:

17 237.11 [INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.]

18 Every telephone company subject to the provisions of this
 19 chapter, wherever organized, shall keep an office in this state,
 20 and make such reports to the department as it shall from time to
 21 time require. The department shall only require information for
 22 an annual report from a telephone company, competitive local
 23 exchange carrier, or independent telephone company that consists
 24 of the name of the company, contact person, annual revenue, and
 25 the annual status of the 911 plan update. All books, records,
 26 and files, whether they relate to competitive or noncompetitive
 27 services, and all of its property shall be at all times subject
 28 to inspection by the commission and the department. It shall
 29 close its accounts and take therefrom a balance sheet on
 30 December 31 of each year, and on or before May 1 following, such
 31 balance sheet, together with such other information as the
 32 department shall require, verified by an officer of the
 33 telephone company, shall be filed with the commission and the
 34 department.

35 In the event that any telephone company shall fail to file
 36 its annual report, as provided by this section, the department
 37 is authorized to make such an examination of the books, records,
 38 and vouchers of the company as is necessary to procure the

1 necessary data for the annual report and cause the same to be
2 prepared. The expense of procuring this data and preparing this
3 report shall be paid by the telephone company failing to report,
4 and the amount paid shall be credited by the commissioner of
5 finance to funds appropriated for the expense of the department.

6 The department is authorized to force collection of such
7 sum by an action at law in the name of the department.

8 Sec. 2. Minnesota Statutes 2004, section 237.462, is
9 amended by adding a subdivision to read:

10 Subd. 13. [REMEDIAL PAYMENTS.] The commission's authority
11 under section 237.081 includes authority to require refunds,
12 payments, or credits intended to provide compensation for
13 financial harm resulting from any unlawful, anticompetitive
14 conduct, including unlawful discrimination under section 237.09,
15 violations of the Telecommunications Act of 1996, Public Law
16 104-10, or its successor, or breach of an interconnection
17 agreement. Any remedial payments under section 237.081 shall
18 offset penalty payments ordered under subdivision 2 for the same
19 violations.

20 Sec. 3. Minnesota Statutes 2004, section 237.462, is
21 amended by adding a subdivision to read:

22 Subd. 14. [WHOLESALE SERVICE QUALITY.] The commission's
23 authority to adopt wholesale service quality standards includes
24 the authority to establish remedy payments to provide
25 compensation and enforce those standards.

26 Sec. 4. [237.85] [DEFINITIONS.]

27 Subdivision 1. [SCOPE.] The definitions in this section
28 apply to sections 237.85 to 237.90.

29 Subd. 2. [BASIC SERVICE.] "Basic service" means one
30 unbundled, single line, unlimited local usage, residential voice
31 telephone service or unbundled single line, unlimited local
32 usage, business voice telephone service. Basic service includes:

33 (1) single party voice-grade service and touch-tone
34 capability;

35 (2) 911 or enhanced 911 access;

36 (3) 1+intraLATA and interLATA presubscription and

1 code-specific equal access to interexchange carriers subscribing
2 to its switched access service;

3 (4) access to directory assistance, directory listings, and
4 operator services;

5 (5) toll and information service-blocking;

6 (6) a white pages and directory assistance listing, or upon
7 customer request, a private listing that allows the customer to
8 have an unlisted or unpublished telephone number;

9 (7) call-tracing capability according to Minnesota Rules,
10 chapter 7813; and

11 (8) telecommunications relay service capability or access
12 necessary to comply with state and federal regulations.

13 Subd. 3. [CLASS OF SERVICES.] "Class of services" includes
14 all services provided to a particular class of customers,
15 including the residential class and the business class.

16 Subd. 4. [COMMISSION.] "Commission" means the Public
17 Utilities Commission.

18 Subd. 5. [COMPETITIVE REGULATION TELEPHONE
19 COMPANY.] "Competitive regulation telephone company" is a
20 telephone company that the commission authorizes to operate
21 under competitive regulation as provided in sections 237.86 to
22 237.90.

23 Subd. 6. [COMPETITIVE SERVICES REGULATION.] "Competitive
24 services regulation" means regulation of services determined to
25 be competitive as provided in sections 237.86 to 237.90.

26 Sec. 5. [237.86] [COMPETITIVE SERVICES REGULATION.]

27 Subdivision 1. [COMPETITION STANDARD.] Competitive
28 regulation as provided in sections 237.86 to 237.90 is permitted
29 for the residential services offered by a telephone company in
30 an exchange where three or more competitors offer comparable
31 retail residential services in the exchange. A residential
32 service is not comparable unless it provides basic service with
33 911 access through the dedicated 911 network. Competitive
34 regulation as provided in sections 237.86 to 237.90 is permitted
35 for the business class of services offered by a telephone
36 company in an exchange where three or more competitors offer

1 comparable service in an exchange through the use of unbundled
2 network elements, resale, voice over Internet protocol,
3 wireless, or a provider's own facilities, including cable. The
4 competitors must not be affiliated with the telephone company
5 seeking to be regulated under sections 237.86 to 237.90.

6 Subd. 2. [PETITION AND APPROVAL PROCESS.] (a) A telephone
7 company may petition the commission to have its retail
8 residential or business services in an exchange regulated as
9 provided in sections 237.86 to 237.90. The petition shall be
10 served upon the residential and small business utilities
11 division of the office of the attorney general, the Department
12 of Commerce, and any other persons who have requested to be on a
13 commissioner service list for petitions filed under this section.

14 (b) A petition shall be approved by the commission within
15 20 days after it is filed if it includes a signed affidavit that
16 identifies three or more competitors to the customer class or
17 classes in the exchange or exchanges covered by the petition.
18 The affidavit must be signed by an employee of the telephone
19 company with knowledge and the authority to make representations
20 on behalf of the company. Within 30 days after filing of the
21 affidavit, any interested person may file objections to the
22 petition setting forth the grounds upon which the person
23 believes the standard set forth in this section for competitive
24 services regulation has not been met. If the commission
25 determines after a hearing that the telephone company has failed
26 to meet the standard for competitive services regulation for a
27 particular class of services in a particular exchange, the
28 commission shall revoke the telephone company's competitive
29 regulation authority under sections 237.86 to 237.90 for those
30 services in the exchange in questions consistent with its
31 findings.

32 Sec. 6. [237.87] [RATES FOR SERVICES SUBJECT TO
33 COMPETITIVE SERVICES REGULATION.]

34 Subdivision 1. [PRICE AND SERVICE OFFERINGS.] A
35 competitive regulation telephone company may offer new local
36 services or change the prices, terms, or conditions of existing

1 local services as provided in this section for each class of
2 services in each exchange in which the commission has approved a
3 petition under section 237.86, subdivision 2.

4 Subd. 2. [BASIC SERVICE RATES.] (a) A competitive
5 regulation telephone company shall not increase its monthly
6 one-party residential and one-party business rates and
7 nonrecurring basic service rates for three years after the
8 commission has approved a petition under section 237.86,
9 subdivision 2. After three years, a basic services regulated
10 company may annually increase its monthly one-party residential
11 and one-party business rates and nonrecurring one-party
12 residential and one-party business installation service rates by
13 a percentage equal to or less than the inflation rate for the
14 prior year as measured by the Gross Domestic Product Price
15 Index, published by the federal government.

16 (b) Extended area service rates shall not be increased by a
17 competitive regulation telephone company without prior
18 commission approval.

19 (c) A competitive regulation telephone company may assess
20 special construction charges approved by the commission if
21 existing facilities are not available to the customer.

22 (d) Notwithstanding paragraph (a), a competitive regulation
23 telephone company may petition the commission and the commission
24 may authorize changes in residential or business local rates
25 associated with exogeneous changes, including, but not limited
26 to, changes in the intrastate financial impact of:

27 (1) changes in intercarrier compensation;

28 (2) comprehensive local service rate restructuring;

29 (3) rate deaveraging;

30 (4) changes in universal service or funding payments;

31 (5) changes in local, state, or federal taxes;

32 (6) changes in the commission's application of

33 jurisdictional separation, the Uniform System of Accounts, or

34 other mandatory Financial Accounting Standards Board accounting
35 standards;

36 (7) assessments related to the use of telephone numbers,

1 including mandated number conservation efforts; and

2 (8) financial impacts of government mandates to construct
3 specific telecommunications infrastructure or develop systems.

4 Subd. 3. [OTHER PRICES SUBJECT TO EFFECTIVE
5 COMPETITION.] A competitive regulation telephone company's
6 prices for its intrastate retail services, other than basic
7 services and extended area service rates, are not subject to any
8 rate or price regulation except that the commission may, upon
9 complaint, order a competitive regulation telephone company to
10 change a retail or wholesale price or pricing practice or take
11 other appropriate action if the commission determines, after an
12 investigation, that:

13 (1) the price or pricing practice unreasonably restricts
14 resale in violation of Minnesota Statutes, section 237.121,
15 paragraph (a), clause (5);

16 (2) the price or pricing practice is unreasonably
17 discriminatory in violation of subdivision 6;

18 (3) the price or pricing practice is deceptive, misleading,
19 fraudulent, as those terms are defined in state or federal law,
20 or is otherwise unlawful under state or federal law; or

21 (4) the price or pricing practice has caused or will result
22 in substantial customer harm.

23 Subd. 4. [TARIFF CHANGES.] A competitive regulation
24 telephone company may offer new services or change the prices,
25 terms, or conditions of existing local service as permitted by
26 this section by filing amendments to its tariffs. These tariff
27 filings take effect as follows:

28 (a) A new service, price decrease, promotion, or
29 insubstantial change in the terms or conditions of a service may
30 take effect immediately upon filing without prior notice to
31 customers.

32 (b) A price increase, a substantial change in a term or
33 condition of a service, or a discontinuation of a service other
34 than basic local service may take effect 20 days after filing
35 and providing written notice to affected customers as provided
36 in clauses (1) and (2):

1 (1) the written notice of a price increase must be given in
2 simple and clear language by bill insert, bill notice, or direct
3 mail. To be simple and clear, the notice must bear the heading
4 "NOTICE OF PRICE INCREASE."

5 (2) the written notice of a substantial change in a term or
6 condition of service or of the discontinuance of a service must
7 be given in simple and clear language by bill insert, bill
8 notice, or direct mail. To be simple and clear, the notice
9 must, at a minimum, bear a heading such as "NOTICE OF CHANGE IN
10 TERMS" or "NOTICE OF DISCONTINUANCE," as appropriate.

11 Subd. 5. [COST INFORMATION.] The commission shall not
12 require a competitive regulation telephone company to file cost
13 information unless the commission determines that cost
14 information is needed to resolve a complaint or investigation
15 alleging that the competitive regulation telephone company is
16 violating a standard set forth in this section.

17 Subd. 6. [DISCRIMINATION.] No competitive regulation
18 telephone company may offer competitive services within the
19 state on terms or rates that are unreasonably discriminatory.
20 At a minimum, a competitive regulation telephone company must
21 provide its competitive services in accordance with paragraphs
22 (a) to (c).

23 (a) A competitive regulation telephone company shall charge
24 uniform rates for local services within its service area.
25 However, a competitive regulation telephone company may, upon a
26 filing under subdivision 4:

27 (1) offer unique pricing to certain customers or to certain
28 geographic locations for promotions as provided in section
29 237.626 or customer incentives of the type offered by other
30 providers and may offer local service as part of a package that
31 may include goods and services other than telecommunications
32 services. Nothing in this section is intended to give the
33 commission or department regulatory authority over
34 nontelecommunications services provided by the competitive
35 regulation telephone company;

36 (2) provide volume or term discounts;

1 (3) offer prices unique to particular customers, or groups
2 of customers, when differences in the cost of providing a
3 service, market conditions, or pricing practices of a competitor
4 justify a different price;

5 (4) pass through any legislatively authorized local taxes,
6 franchise fees, or special surcharges imposed by local or
7 regional governmental units on the services provided by the
8 competitive regulation telephone company in specific geographic
9 areas from which the taxes, fees, or surcharges originate; or

10 (5) furnish service free or at a reduced rate to its
11 officers, agents, or employees in furtherance of their
12 employment.

13 (b) A tariff providing for prices unique to particular
14 customers or groups of customers under paragraph (a), clause
15 (3), shall identify the service for which a unique price is
16 available and the conditions under which the unique price is
17 available.

18 (c) In addition to the exceptions provided in paragraph
19 (a), a competitive regulation telephone company may also charge
20 different rates for competitive local services within its
21 service territory upon a prior finding by the commission that
22 the competitive regulation telephone company has good cause to
23 do so.

24 Subd. 7. [PROTECTION FROM ANTICOMPETITIVE PRICING.] This
25 subdivision applies to prices governed by this section other
26 than one single-line local residential voice service or one
27 single-line local business voice telephone service. A
28 competitive regulation telephone company must not price its
29 local telephone services, whether offered singly or as part of a
30 bundle of services, below the total service long-run incremental
31 cost of providing the service or services.

32 Subd. 8. [RETAIL SERVICES ONLY.] The provisions of this
33 section apply only to retail services.

34 Subd. 9. [WHOLESALE OBLIGATIONS UNDER STATE AND FEDERAL
35 LAW.] Nothing in this section shall alter any wholesale
36 obligation of a competitive regulation telephone company under

1 state or federal law or the ability of the commission to enforce
2 applicable provisions of state or federal law.

3 Subd. 10. [COMPLAINTS.] The commission may investigate on
4 its own motion or upon a complaint an alleged violation of this
5 section. If the commission finds by a preponderance of the
6 evidence after a proceeding that existing rates, tariffs,
7 charges, schedules, or practices violate an applicable provision
8 of this chapter, the commission shall take appropriate action,
9 which may include ordering the competitive regulation telephone
10 company to;

11 (1) change the rate, tariff, charge, schedule, or practice;

12 (2) make the service reasonable, adequate, or obtainable;

13 or

14 (3) take other appropriate action.

15 Sec. 7. [237.88] [RATES NOT SUBJECT TO EFFECTIVE
16 COMPETITION.]

17 A competitive regulation telephone company's rates for
18 services in exchanges which the commission has not permitted to
19 be regulated under sections 237.86 to 237.90 shall be regulated
20 as otherwise provided in this chapter, except that a new
21 alternative form of regulation plan may apply only to those
22 services which have not been determined to be subject to
23 competitive services regulation or have been exempted from rate
24 regulation under section 237.411.

25 Sec. 8. [237.89] [AFOR SERVICE QUALITY; INTERIM
26 PROVISION.]

27 A competitive regulation telephone company shall comply
28 with the service quality standards, penalties, and remedies in
29 an AFOR plan in effect on June 1, 2005, until one year after the
30 commission authorizes competitive regulation for that telephone
31 company or the expiration of the AFOR plan, whichever is
32 earlier. After that time, competitive services are subject to
33 commission service quality rules of general applicability.

34 Sec. 9. [237.90] [APPLICABILITY OF OTHER LAWS;
35 COMMISSION.]

36 A competitive regulation telephone company is not subject

1 to rate-of-return regulation or the earnings investigations
 2 provisions of sections 237.075, 237.081, and 237.22 during the
 3 term of the election. Except as specifically provided in this
 4 section, the commission retains all authority under this chapter
 5 and competitive regulation telephone companies are subject to
 6 the requirements of this chapter and rules of the commission,
 7 including, but not limited to, laws and rules relating to the
 8 provider of last resort obligations and service quality.

9 Sec. 10. Laws 1999, chapter 224, section 7, as amended by
 10 Laws 2004, chapter 261, article 6, section 3, is amended to read:

11 Sec. 7. [SUNSET.]

12 ~~Sections 2 and 4 expire on August 1, 2005, and~~ Minnesota
 13 Statutes 1998, sections 237.63, 237.65, and 237.68, expire on
 14 December 31, 2004.

15 [EFFECTIVE DATE.] This section is effective the day
 16 following final enactment.

17 Sec. 11. [ANTISLAMMING AND OTHER FRAUD.]

18 Nothing in this act undermines or changes the consumer
 19 protection laws found in Minnesota Statutes, sections 237.661;
 20 237.663; and 237.665; or 325F.692.

21 ARTICLE 2

22 PER NUMBER FEE

23 Section 1. Minnesota Statutes 2004, section 237.295,
 24 subdivision 1, is amended to read:

25 Subdivision 1. [~~PAYMENT-FOR-INVESTIGATION FILING FEE FOR~~
 26 ~~NEW AUTHORITY.] (a)-Whenever-the-department-or-commission,-in-a~~
 27 ~~proceeding-upon-its-own-motion,-on-complaint,-or-upon-an~~
 28 ~~application-to-it,-considers-it-necessary,-in-order-to-carry-out~~
 29 ~~the-duties-imposed-on-it,-to-investigate-the-books,-accounts,~~
 30 ~~practices,-and-activities-of-any-company,-parties-to-the~~
 31 ~~proceeding-shall-pay-the-expenses-reasonably-attributable-to-the~~
 32 ~~proceeding.--The-department-and-commission-shall-ascertain-the~~
 33 ~~expenses,-and-the-department-shall-render-a-bill-for-these~~
 34 ~~expenses-to-the-parties,-at-the-conclusion-of-the-proceeding.~~
 35 ~~The-department-is-authorized-to-submit-billings-to-parties-at~~
 36 ~~intervals-selected-by-the-department-during-the-course-of-a~~

1 proceeding.

2 (b)-The-allocation-of-costs-may-be-adjusted-for-cause-by
3 the-commission-during-the-course-of-the-proceeding,-or-upon-the
4 closing-of-the-docket-and-issuance-of-an-order.--In-addition-to
5 the-rights-granted-in-subdivision-3,-parties-to-a-proceeding-may
6 object-to-the-allocation-at-any-time-during-the-proceeding.
7 Withdrawal-by-a-party-to-a-proceeding-does-not-absolve-the-party
8 from-paying-allocated-costs-as-determined-by-the-commission.
9 The-commission-may-decide-that-a-party-should-not-pay-any
10 allocated-costs-of-the-proceeding.

11 (c)-The-bill-constitutes-notice-of-the-assessment-and-a
12 demand-for-payment.--The-amount-of-the-bills-assessed-by-the
13 department-under-this-subdivision-must-be-paid-by-the-parties
14 into-the-state-treasury-within-30-days-from-the-date-of
15 assessment.--The-total-amount,-in-a-calendar-year,-for-which-a
16 telephone-company-may-become-liable,-by-reason-of-costs-incurred
17 by-the-department-and-commission-within-that-calendar-year,-may
18 not-exceed-two-fifths-of-one-percent-of-the-gross-jurisdictional
19 operating-revenue-of-the-telephone-company-in-the-last-preceding
20 calendar-year.--Direct-charges-may-be-assessed-without-regard-to
21 this-limitation-until-the-gross-jurisdictional-operating-revenue
22 of-the-telephone-company-for-the-preceding-calendar-year-has
23 been-reported-for-the-first-time.--Where,-under-this
24 subdivision,-costs-are-incurred-within-a-calendar-year-that-are
25 in-excess-of-two-fifths-of-one-percent-of-the-gross
26 jurisdictional-operating-revenues,-the-excess-costs-are-not
27 chargeable-as-part-of-the-remainder-under-subdivision-2.

28 (d)-Except-as-otherwise-provided-in-paragraph-(e),-for
29 purposes-of-assessing-the-cost-of-a-proceeding-to-a-party,
30 "party"-means-any-entity-or-group-subject-to-the-laws-and-rules
31 of-this-state,-however-organized,-whether-public-or-private,
32 whether-domestic-or-foreign,-whether-for-profit-or-nonprofit,
33 and-whether-natural,-corporate,-or-political,-such-as-a-business
34 or-commercial-enterprise-organized-as-any-type-or-combination-of
35 corporation,-limited-liability-company,-partnership,-limited
36 liability-partnership,-proprietorship,-association,-cooperative,

1 joint-venture, carrier, or utility, and any successor or
 2 assignee of any of them, a social or charitable organization,
 3 and any type or combination of political subdivision, which
 4 includes the executive, judicial, or legislative branch of the
 5 state, a local government unit, an agency of the state or a
 6 local government unit, or a combination of any of them.

7 (e) For assessment and billing purposes, "party" does not
 8 include the Department of Commerce or the Residential Utilities
 9 Division of the Office of Attorney General, any entity or group
 10 instituted primarily for the purpose of mutual help and not
 11 conducted for profit, intervenors awarded compensation under
 12 section 237.075, subdivision 10, or any individual or group or
 13 counsel for the individual or group representing the interests
 14 of end users or classes of end users of services provided by
 15 telephone companies or telecommunications carriers, as
 16 determined by the commission An application for a new authority
 17 must be accompanied by a payment not to exceed \$2,000 as
 18 determined by the Public Utilities Commission. This fee will be
 19 reviewed annually and adjusted accordingly.

20 Sec. 2. Minnesota Statutes 2004, section 237.295,
 21 subdivision 2, is amended to read:

22 Subd. 2. [ASSESSMENT OF COSTS.] The department and
 23 commission shall quarterly, at least 30 days before the start of
 24 each quarter, estimate the total of their expenditures in the
 25 performance of their duties relating to telephone companies,
 26 other than amounts chargeable to telephone companies under
 27 subdivision 1, 5, or 6. The remainder must be assessed by the
 28 department to the telephone companies operating in this state in
 29 proportion to their respective gross jurisdictional operating
 30 revenues during the last calendar year. The assessment must be
 31 paid into the state treasury within 30 days after the bill has
 32 been mailed to the telephone companies. The bill constitutes
 33 notice of the assessment and demand of payment. ~~The total~~
 34 ~~amount that may be assessed to the telephone companies under~~
 35 ~~this subdivision may not exceed one-eighth of one percent of the~~
 36 ~~total gross jurisdictional operating revenues during the~~

1 ~~calendar-year.~~ The assessment for the third quarter of each
2 fiscal year must be adjusted to compensate for the amount by
3 which actual expenditures by the commission and department for
4 the preceding fiscal year were more or less than the estimated
5 expenditures previously assessed. A telephone company with
6 gross jurisdictional operating revenues of less than \$5,000 is
7 exempt from assessments under this subdivision.

8 Sec. 3. [237.491] [COMBINED PER NUMBER.FEE.]

9 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
10 subdivision apply to this section.

11 (b) "911 emergency and public safety communications program"
12 means the program governed by chapter 403.

13 (c) "Service provider" means a provider doing business in
14 Minnesota who provides real time, two-way voice service
15 interconnected with the public switched telephone network using
16 numbers allocated for Minnesota assigned by the North American
17 Numbering Plan Administration.

18 (d) "Telecommunications access Minnesota program" means the
19 program governed by sections 237.50 to 237.55.

20 (e) "Telephone assistance program" means the program
21 governed by sections 237.69 to 237.711.

22 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
23 Utilities Commission shall establish a fee that applies to each
24 service provider based upon the amount of numbers allocated for
25 Minnesota assigned by the North American Numbering Plan
26 Administration in use by the provider. The fee must be set at a
27 level calculated to generate only the amount of revenue
28 necessary to fund:

29 (1) the telephone assistance program and the
30 telecommunications access Minnesota program at the levels
31 established by the commission under sections 237.52, subdivision
32 2, and 237.70; and

33 (2) the 911 emergency and public safety communications
34 program at the approved appropriation levels for current fiscal
35 years.

36 (b) Notwithstanding any law to the contrary, the Public

1 Utilities Commission shall, by order, establish the procedures
2 by which each service provider, to the extent allowed under
3 federal law, shall collect and remit the fee proceeds to the
4 Department of Revenue. The commissioner of revenue shall
5 allocate the fee proceeds to the three funding areas in
6 paragraph (a) and shall deposit the allocations into the
7 appropriate accounts.

8 (c) The per access line fee used to collect revenues to
9 support the TAP, TAM, and 911 programs shall remain in effect
10 until replaced by the per telephone number fee.

11 Sec. 4. Minnesota Statutes 2004, section 237.69,
12 subdivision 16, is amended to read:

13 Subd. 16. [TELEPHONE ASSISTANCE PLAN.] "Telephone
14 assistance plan" means the plan to be adopted by the commission
15 and to be jointly administered by the commission, the Department
16 of ~~Human-Services,-and-the-telephone-companies,~~ Commerce, and
17 the local service providers, as required by sections 237.69 to
18 237.711.

19 Sec. 5. Minnesota Statutes 2004, section 237.69, is
20 amended by adding a subdivision to read:

21 Subd. 18. [LOCAL SERVICE PROVIDER.] "Local service
22 provider" means:

23 (1) a telephone company or telecommunications carrier
24 providing local service in Minnesota pursuant to a certificate
25 of authority granted by the commission; or

26 (2) a commercial mobile radio service (CMRS) provider,
27 personal communications services (PCS) provider, or other
28 wireless provider offering the functional equivalent of CMRS or
29 PCS in Minnesota.

30 Sec. 6. Minnesota Statutes 2004, section 237.70,
31 subdivision 2, is amended to read:

32 Subd. 2. [SCOPE.] The telephone assistance plan must be
33 statewide and apply to local service providers that provide
34 ~~local-exchange~~ service in Minnesota.

35 Sec. 7. Minnesota Statutes 2004, section 237.70,
36 subdivision 5, is amended to read:

1 Subd. 5. [NATURE AND EXTENT OF CREDITS.] The telephone
2 assistance plan may provide for telephone assistance credits to
3 eligible households up to the amounts available under the
4 federal matching plan. However, the credits available under the
5 telephone assistance plan may not exceed:

6 (1) more than 50 percent of the local exchange rate charged
7 for the local exchange service provided to the household by that
8 household's local service provider; and

9 (2) the level of credits that can actually be funded in
10 accordance with the limitations contained in subdivision 6.

11 Sec. 8. [325F.991] [911 EMERGENCY PHONE SERVICE
12 REPRESENTATIONS.]

13 Subdivision 1. [DEFINITIONS.] For purposes of this
14 section, the terms defined in this subdivision have the meanings
15 given them.

16 (a) "911 emergency telecommunications system" means a
17 dedicated emergency telecommunications system required by
18 section 403.025.

19 (b) "Person" means an individual, corporation, firm, or
20 other legal entity.

21 (c) "Service provider" means a person doing business in
22 Minnesota who provides real time, two-way voice service
23 interconnected with the public switched telephone network using
24 numbers allocated for Minnesota by the North American Numbering
25 Plan Administration.

26 Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall
27 not advertise, market, or otherwise represent that the person
28 furnishes a service capable of providing access to emergency
29 services by dialing 911 unless the person provides a service
30 that routes 911 calls through the 911 emergency
31 telecommunications system.

32 Subd. 3. [DISCLOSURE.] A service provider must disclose in
33 all advertisements, marketing materials, and contracts whether
34 or not it provides 911 dialing that routes 911 calls through the
35 911 emergency telecommunications system. The disclosure must be
36 in capital letters, in 12-point font, and on the front page of

1 the advertisement, marketing materials, and contracts. For
2 service providers that do route 911 calls through the 911
3 emergency telecommunications system, the disclosure must state:
4 "THIS SERVICE INCLUDES 911 CALLING ROUTED THROUGH THE 911
5 EMERGENCY SYSTEM." For service providers that do not route 911
6 calls through the 911 emergency telecommunications system, the
7 disclosure must state: "THIS SERVICE DOES NOT ROUTE 911 CALLS
8 THROUGH THE 911 EMERGENCY SYSTEM."

9 Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of
10 this section, 911 calls routed to the general access number at a
11 public safety answering point do not qualify as being routed
12 through a 911 emergency telecommunications system.

13 Sec. 9. Minnesota Statutes 2004, section 403.06,
14 subdivision 1a, is amended to read:

15 Subd. 1a. [BIENNIAL BUDGET; ANNUAL FINANCIAL REPORT.] The
16 commissioner shall prepare a biennial budget for maintaining the
17 911 system. By December 15 of each year, the commissioner shall
18 submit a report to the legislature detailing the expenditures
19 for maintaining the 911 system, the 911 fees ~~collected~~ deposited
20 by the Department of Revenue, the balance of the 911 fund, and
21 the 911-related administrative expenses of the commissioner.
22 The commissioner is authorized to expend money that has been
23 appropriated to pay for the maintenance, enhancements, and
24 expansion of the 911 system.

25 Sec. 10. Minnesota Statutes 2004, section 403.11,
26 subdivision 1, is amended to read:

27 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]
28 (a) Each customer of a wireless or wire-line telecommunications
29 service provider that furnishes service capable of originating a
30 911 emergency telephone call is assessed a fee under section
31 237.491 to cover the costs of ongoing maintenance and related
32 improvements for trunking and central office switching equipment
33 for 911 emergency telecommunications service, plus
34 administrative and staffing costs of the commissioner related to
35 managing the 911 emergency telecommunications service program.
36 Recurring charges by a wire-line telecommunications service

1 provider for updating the information required by section
2 403.07, subdivision 3, must be paid by the commissioner if the
3 wire-line telecommunications service provider is included in an
4 approved 911 plan and the charges are made pursuant to tariff,
5 price list, or contract. A portion of the fee assessed under
6 this section 237.491 must also be used for the purpose of
7 offsetting the costs, including administrative and staffing
8 costs, incurred by the State Patrol Division of the Department
9 of Public Safety in handling 911 emergency calls made from
10 wireless phones.

11 (b) Money remaining in the 911 emergency telecommunications
12 service account after all other obligations are paid must not
13 cancel and is carried forward to subsequent years and may be
14 appropriated from time to time to the commissioner to provide
15 financial assistance to counties for the improvement of local
16 emergency telecommunications services. The improvements may
17 include providing access to 911 service for telecommunications
18 service subscribers currently without access and upgrading
19 existing 911 service to include automatic number identification,
20 local location identification, automatic location
21 identification, and other improvements specified in revised
22 county 911 plans approved by the commissioner.

23 ~~(c) The fee may not be less than eight cents nor more than~~
24 ~~40 cents a month for each customer access line or other basic~~
25 ~~access service, including trunk equivalents as designated by the~~
26 ~~Public Utilities Commission for access charge purposes and~~
27 ~~including wireless telecommunications services. With the~~
28 ~~approval of the commissioner of finance, the commissioner of~~
29 ~~public safety shall establish the amount of the fee within the~~
30 ~~limits specified and inform the companies and carriers of the~~
31 ~~amount to be collected. When the revenue bonds authorized under~~
32 ~~section 403.27, subdivision 1, have been fully paid or defeased,~~
33 ~~the commissioner shall reduce the fee to reflect that debt~~
34 ~~service on the bonds is no longer needed. The commissioner~~
35 ~~shall provide companies and carriers a minimum of 45 days~~
36 ~~notice of each fee change. The fee must be the same for all~~

1 customers.

2 ~~(d) The fee must be collected by each wireless or wire-line~~
 3 ~~telecommunications service provider subject to the fee. Fees~~
 4 ~~are payable to and must be submitted to the commissioner monthly~~
 5 ~~before the 25th of each month following the month of collection,~~
 6 ~~except that fees may be submitted quarterly if less than \$250 a~~
 7 ~~month is due, or annually if less than \$25 a month is due.~~
 8 ~~Receipts must be deposited in the state treasury and credited to~~
 9 ~~a 911 emergency telecommunications service account in the~~
 10 ~~special revenue fund. The money in the account may only be used~~
 11 ~~for 911 telecommunications services.~~

12 (e) This subdivision does not apply to customers of
 13 interexchange carriers.

14 (f) (d) The installation and recurring charges for
 15 integrating wireless 911 calls into enhanced 911 systems must be
 16 paid by the commissioner if the 911 service provider is included
 17 in the statewide design plan and the charges are made pursuant
 18 to tariff, price list, or contract.

19 Sec. 11. Minnesota Statutes 2004, section 403.113,
 20 subdivision 1, is amended to read:

21 Subdivision 1. [FEE GRANT.] (a) ~~Each customer receiving~~
 22 ~~service from a wireless or wire-line telecommunications service~~
 23 ~~provider is assessed a fee~~ The commissioner shall budget for and
 24 provide grants to PSAPs to fund implementation, operation,
 25 maintenance, enhancement, and expansion of enhanced 911 service,
 26 including acquisition of necessary equipment and the costs of
 27 the commissioner to administer the program. The actual fee
 28 assessed under section 403.11 and the enhanced 911 service fee
 29 must be collected as one amount and may not exceed the amount
 30 specified in section 403.117, subdivision 1, paragraph (c).

31 (b) ~~The enhanced 911 service fee must be collected and~~
 32 ~~deposited in the same manner as the fee in section 403.11 and~~
 33 ~~used solely for the purposes of paragraph (a) and subdivision 3.~~

34 (e) The commissioner, in consultation with counties and 911
 35 system users, shall determine the amount of the enhanced 911
 36 service fee grant. The fee grant must include at least ten

1 ~~cents-per-month~~ the amount funded in fiscal year 2005 to be
2 distributed under subdivision 2. ~~The-commissioner-shall-inform~~
3 ~~wireless-and-wire-line-telecommunications-service-providers-that~~
4 ~~provide-service-capable-of-originating-a-911-emergency-telephone~~
5 ~~call-of-the-total-amount-of-the-911-service-fees-in-the-same~~
6 ~~manner-as-provided-in-section-403.11.~~

7 Sec. 12. Minnesota Statutes 2004, section 403.30,
8 subdivision 1, is amended to read:

9 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]
10 For each fiscal year beginning with the fiscal year commencing
11 July 1, 1997, the amount necessary to pay the following costs is
12 appropriated to the commissioner of public safety from the 911
13 emergency telecommunications service account established under
14 section 403.11:

15 (1) debt service costs and reserves for bonds issued
16 pursuant to section 403.27;

17 (2) repayment of the right-of-way acquisition loans;

18 (3) costs of design, construction, maintenance of, and
19 improvements to those elements of the first, second, and third
20 phases that support mutual aid communications and emergency
21 medical services;

22 (4) recurring charges for leased sites and equipment for
23 those elements of the first, second, and third phases that
24 support mutual aid and emergency medical communication services;
25 or

26 (5) aid to local units of government for sites and
27 equipment in support of mutual aid and emergency medical
28 communications services.

29 This appropriation shall be used to pay annual debt service
30 costs and reserves for bonds issued pursuant to section 403.27
31 prior to use of fee money to pay other costs eligible under this
32 subdivision. In no event shall the appropriation for each
33 fiscal year exceed an amount equal to ~~four-cents-a-month-for~~
34 ~~each-customer-access-line-or-other-basic-access-service,~~
35 ~~including-trunk-equivalents-as-designated-by-the-Public~~
36 ~~Utilities-Commission-for-access-charge-purposes-and-including~~

1 ~~cellular-and-other-nonwire-access-services,-in-the-fiscal~~
2 year 4/40 of the amount collected by the fiscal year 2005 911
3 fee. Beginning July 1, ~~2004~~ 2005, this amount will increase
4 to 13-cents-a-month 13/40 of the amount collected by the fiscal
5 year 2005 911 fee.

6 Sec. 13. [REPEALER.]

7 (a) Minnesota Statutes 2004, section 237.69, subdivisions 5
8 and 17, are repealed.

9 (b) Laws 1999, chapter 125, section 4, as amended by Laws
10 2002, chapter 398, section 2, is repealed.

11 Sec. 14. [EFFECTIVE DATE.]

12 Sections 1 to 13 are effective the day following final
13 enactment.

14 ARTICLE 3

15 WIRELESS DIRECTORIES

16 Section 1. [325E.317] [DEFINITIONS

17 Subdivision 1. [SCOPE.] For the purposes of sections
18 325E.317 and 325E.318, the terms defined in this section have
19 the meanings given them.

20 Subd. 2. [PROVIDER.] "Provider" means a provider of
21 wireless telecommunications services.

22 Subd. 3. [TELECOMMUNICATIONS
23 SERVICES.] "Telecommunications services" has the meaning given
24 in section 297A.61, subdivision 24, paragraph (a).

25 Subd. 4. [WIRELESS DIRECTORY ASSISTANCE
26 SERVICE.] "Wireless directory assistance service" means any
27 service for connecting calling parties to a wireless
28 telecommunications services customer when the calling parties
29 themselves do not possess the customer's wireless telephone
30 number information.

31 Subd. 5. [WIRELESS TELECOMMUNICATIONS SERVICES.] "Wireless
32 telecommunications services" has the meaning given in section
33 325F.695.

34 Subd. 6. [WIRELESS TELEPHONE DIRECTORY.] "Wireless
35 telephone directory" means a directory or database containing
36 wireless telephone number information or any other identifying

1 information by which a calling party may reach a wireless
2 telecommunications services customer.

3 Subd. 7. [WIRELESS TELEPHONE NUMBER
4 INFORMATION.] "Wireless telephone number information" means the
5 telephone number, electronic address, and any other identifying
6 information by which a calling party may reach a wireless
7 telecommunications services customer, which is assigned by a
8 provider to the customer and includes the customer's name and
9 address.

10 Sec. 2. [325E.318] [WIRELESS DIRECTORIES.]

11 Subdivision 1. [NOTICE.] No provider of wireless
12 telecommunications service, or any direct or indirect affiliate
13 or agent of a provider, may include the wireless telephone
14 number information of a customer in a wireless telephone
15 directory assistance service database or publish, sell, or
16 otherwise disseminate the contents of a wireless telephone
17 directory assistance service database unless the provider
18 provides a conspicuous notice to the subscriber informing the
19 subscriber that the subscriber will not be listed in a wireless
20 directory assistance service database without the subscriber's
21 prior express authorization.

22 Subd. 2. [AUTHORIZATION.] (a) A provider, or any direct or
23 indirect affiliate or agent of a provider, may not disclose,
24 provide, or sell a customer's wireless telephone number
25 information, or any part thereof, for inclusion in a wireless
26 telephone directory of any form, and may not sell a wireless
27 telephone directory containing a customer's wireless telephone
28 number information without first receiving prior express
29 authorization from the customer. The customer's authorization
30 must meet the following requirements:

31 (1) consent shall be affirmatively obtained separately from
32 the execution of the service contract via verifiable means; and

33 (2) consent shall be unambiguous and conspicuously disclose
34 that the subscriber is consenting to have the customer's dialing
35 number sold or licensed as part of a publicly available
36 directory assistance database.

1 (b) A record of the authorization shall be maintained for
2 the duration of the service contract or any extension of the
3 contract.

4 (c) A subscriber who provides express consent pursuant to
5 paragraph (a) may revoke that consent at any time. A provider
6 must comply with the customer's request to be removed from the
7 directory and remove such listing from directory assistance
8 within 60 days.

9 Subd. 3. [NO FEE TO RETAIN PRIVACY.] A customer shall not
10 be charged for opting not to be listed in a wireless telephone
11 directory.

12 Subd. 4. [REMEDIES.] A person who violates this section is
13 subject to the remedies under section 8.31, except subdivision
14 3a.

15 Sec. 3. [EFFECTIVE DATE.]

16 Sections 1 and 2 are effective the day following final
17 enactment.

18 ARTICLE 4

19 CABLE FRANCHISE

20 Section 1. Minnesota Statutes 2004, section 238.08,
21 subdivision 1, is amended to read:

22 Subdivision 1. [REQUIREMENT; CONDITIONS.] (a) A
23 municipality or its joint commission created pursuant to
24 subdivision 5 shall require a franchise or extension permit of
25 any cable communications system providing service within the
26 municipality.

27 (b) No municipality or its joint commission shall grant an
28 additional franchise for cable service for an area included in
29 an existing franchise on terms and conditions more favorable or
30 less burdensome than those in the existing franchise pertaining
31 to: (1) ~~the area served;~~ (2) public, educational, or
32 governmental access requirements; or (3) (2) franchise fees.
33 ~~The provisions of this paragraph shall not apply when the area~~
34 ~~in which the additional franchise is being sought is not~~
35 ~~actually being served by any existing cable communications~~
36 ~~system holding a franchise for the area.---Nothing in this~~

1 ~~paragraph-prevents-a-municipality-from-imposing-additional-terms~~
2 ~~and-conditions-on-any-additional-franchises~~ The provisions of
3 this paragraph shall not apply when the area in which the
4 additional franchise is being sought is not actually being
5 served by any existing cable communications system holding a
6 franchise for the area. Nothing in this paragraph prevents a
7 municipality from imposing additional terms and conditions on
8 any additional franchises related to the unserved area. The
9 grant of an additional franchise may include an area for cable
10 service similar to that in an existing franchise or another area
11 that the municipality or its joint commission determines is
12 necessary or desirable to reasonably meet the needs of the
13 municipality or its joint commission. If an additional
14 franchise area is not similar to an existing franchise area, the
15 municipality or joint commission shall ensure that access to
16 cable service is not denied because of the income status of
17 subscribers. Additional franchises must be granted or rejected
18 by a municipality or joint commission within 120 days of an
19 application deemed complete in compliance with section 238.081,
20 subdivision 4, by the municipality or the joint commission
21 unless the date is extended by mutual agreement of the applicant
22 and the municipality or its joint commission.

23 Sec. 2. Minnesota Statutes 2004, section 238.08, is
24 amended by adding a subdivision to read:

25 Subd. 1a. [LOCAL PUBLIC, EDUCATIONAL, AND GOVERNMENTAL
26 ACCESS CHANNELS.] (a) An additional franchisee must ensure that
27 all subscribers receive local public, educational, governmental
28 access and public local origination channels within the
29 additional franchisee's franchise area.

30 (b) An additional franchise must ensure that all
31 subscribers receive local public, educational, and governmental
32 access channels and public local origination channels as
33 specified in the existing franchise and on the same channel
34 numbers as the existing franchisee. Every cable franchisee
35 shall permit any other franchisee to interconnect all local
36 public, educational, governmental access, and public local

1 origination programming and channel feeds. The municipality or
2 its joint commission shall determine all terms and conditions of
3 such interconnection to permit the interconnection and provision
4 of the public, educational, and governmental services. The
5 municipality or its joint commission may require that such
6 interconnection occur on government property or on public
7 rights-of-way. The costs of connection to the existing
8 franchisee's public, educational, governmental access and public
9 local origination programming and channel feeds must be borne by
10 the additional franchisee.

11 (c) An additional franchise provider shall make financial
12 contributions that are equivalent on a per customer basis or
13 mutually agreed upon terms, proportionate to contributions made
14 to the public, educational, and government access service,
15 facilities, and equipment provided or made available by the
16 existing franchise provider.

17 (d) A municipality or its joint commission may not impose
18 public, educational, and governmental access, local origination,
19 institutional network, or other obligations on the additional
20 franchisee that would exceed those imposed on the existing
21 franchisee.

22 Sec. 3. [EFFECTIVE DATE.]

23 Sections 1 and 2 are effective the day following final
24 enactment.

ARTICLE 5

TASK FORCE ON TELECOMMUNICATIONS

27 Section 1. [JOINT LEGISLATIVE TASK FORCE ON
28 TELECOMMUNICATIONS.]

29 (a) The joint legislative task force on telecommunications
30 is created. It consists of four members from each body of the
31 Minnesota legislature, two of whom must be from the minority
32 caucus in each body, to be designated by the chairs of the
33 senate and house committees having subject matter responsibility
34 for telecommunications. The cochairs are the respective chairs
35 of the senate and house committees having subject matter
36 responsibility for telecommunications, or their designees.

1 Members must include at least one representative from the
2 following stakeholder groups recommended by the legislative
3 members of the task force and invited to participate by the
4 cochairs:

- 5 (1) Minnesota Telecommunications Alliance;
- 6 (2) competitive local exchange carriers;
- 7 (3) large ILECS;
- 8 (4) small ILECS;
- 9 (5) long-distance providers;
- 10 (6) wireless providers;
- 11 (7) cable services providers;
- 12 (8) Internet service;
- 13 (9) VOIP providers;
- 14 (10) cable services administrator associations;
- 15 (11) municipal associations;
- 16 (12) municipal utilities associations;
- 17 (13) residential consumer associations (two members);
- 18 (14) business consumer associations (two members);
- 19 (15) office of the attorney general;
- 20 (16) Department of Commerce; and
- 21 (17) Public Utilities Commission (ex officio).

22 (b) The task force must:

- 23 (1) conduct a full review of existing Minnesota
24 telecommunications regulation and rules in chapters 237 and 238;
25 and

- 26 (2) make recommendations for revision of Minnesota
27 telecommunications regulation and rules by January 15, 2006, to
28 the Minnesota Senate Jobs, Energy and Community Development
29 Committee and to the Minnesota House Regulated Industries
30 Committee.

- 31 (c) On request by the cochairs of the task force, the
32 commissioner of commerce shall assess from telephone companies,
33 in addition to assessments made under section 237.295, the
34 amount requested for the operation of the task force but not to
35 exceed \$100,000 in a fiscal year. The amount assessed is
36 appropriated to the Department of Commerce for the purposes of

1 the task force, and is available until expended. The department
2 shall apportion those costs among all telephone companies in
3 proportion to their respective gross operating revenues from the
4 sale of telephone services within the state during the last
5 calendar year. The department shall assess telephone companies
6 and issue bills in accordance with the billing and assessment
7 procedures provided in section 237.295, to the extent that these
8 procedures do not conflict with this section.

9 (d) The Department of Commerce must provide staff and
10 expertise to the task force directly or by contract and may
11 reimburse the expenses of persons requested to assist the task
12 force in its duties other than state employees or employees of
13 telephone companies. The Department of Commerce must provide
14 administrative assistance to the task force.

15 (e) The joint legislative task force on telecommunications
16 shall expire July 1, 2007.

17 ARTICLE 6

18 CANCELLATION OF LONG DISTANCE SERVICE

19 Section 1. Minnesota Statutes 2004, section 237.74, is
20 amended by adding a subdivision to read:

21 Subd. 14. [CANCELLATION OF LONG DISTANCE SERVICE.] (a) A
22 telecommunications carrier providing long distance service may
23 not charge a customer for long distance service after the
24 customer has requested that carrier to cancel the customer's
25 long distance service.

26 (b) Notwithstanding the limitation on charges in paragraph
27 (a), if a customer with a fixed term contract requests that a
28 telecommunications carrier providing long distance service
29 cancel that customer's long distance service, the
30 telecommunications carrier may charge the customer for long
31 distance service until the end of the contract term but not
32 after the end of the contract term.

33 (c) A telecommunications carrier providing long distance
34 service may not require a customer to contact the customer's
35 local telephone service provider in order for the customer to
36 cancel long distance service with the carrier.

ARTICLE 7

CITY OF ALEXANDRIA JOINT VENTURE AUTHORITY

Section 1. Laws 2002, chapter 329, section 5, is amended to read:

Sec. 5. [JOINT VENTURE AUTHORITY.]

(a) The city of Alexandria may enter into a joint venture or joint ventures with one, two, or three of the entities known as Runestone Telephone Association and, Runestone Electric Association, and Gardonville Telephone Cooperative for the purpose of providing local niche service, including internet services, and point to point transmission of digital information.

(b) For purposes of this section, with respect to the services described in paragraph (a), the city of Alexandria and a joint venture to which it is a party shall have the rights and authority granted by, and be subject to, Minnesota Statutes 2001 Supplement, section 452.25, except for the provisions of that section which relate specifically and only to electric utilities.

(c) For the purposes of this section, "local niche service" refers to point-to-point connections between end-user locations within a service area and any telecommunications services under the public utilities commission's jurisdiction under Minnesota Statutes, chapter 237 that do not fall within the definition of local service or the definition of interexchange service.

(d) If the city of Alexandria obtains authority to provide local service or interexchange service under chapter 237, it may enter into a joint venture with the entities identified in paragraph (a) for those purposes.

[EFFECTIVE DATE; LOCAL APPROVAL.] This section is effective as to the city of Alexandria the day after the city of Alexandria's governing body and its chief clerical officer timely complete compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Delete the title and insert:

"A bill for an act relating to telecommunications; providing for an alternative form of regulation for certain telephone companies; providing for reduced reporting requirements; clarifying the authority of the public utilities commission to issue remedial orders; establishing a single per

1 number fee for certain telecommunications programs; regulating
 2 wireless telephone directories; providing for additional cable
 3 franchises; creating a task force on telecommunications;
 4 regulating cancellation of long distance service; authorizing
 5 the city of Alexandria to enter into certain telecommunication
 6 joint ventures; providing penalties; appropriating money;
 7 amending Minnesota Statutes 2004, sections 237.11; 237.295,
 8 subdivisions 1, 2; 237.462, by adding subdivisions; 237.69,
 9 subdivision 16, by adding a subdivision; 237.70, subdivisions 2,
 10 5; 237.74, by adding a subdivision; 238.08, subdivision 1, by
 11 adding a subdivision; 403.06, subdivision 1a; 403.11,
 12 subdivision 1; 403.113, subdivision 1; 403.30, subdivision 1;
 13 Laws 1999, chapter 224, section 7, as amended; Laws 2002,
 14 chapter 329, section 5; proposing coding for new law in
 15 Minnesota Statutes, chapters 237; 325E; 325F; repealing
 16 Minnesota Statutes 2004, section 237.69, subdivisions 5, 17;
 17 Laws 1999, chapter 125, section 4, as amended."

18 And when so amended that the bill be recommended to pass
 19 and be referred to the full committee.

20
 21 (Subcommittee Chair)

22
 23 March 30, 2005.....
 24 (Date of Subcommittee action)

1

A bill for an act

2 relating to telecommunications; providing for an
3 alternative form of regulation for certain telephone
4 companies; providing for reduced reporting
5 requirements; clarifying the authority of the public
6 utilities commission to issue remedial orders;
7 establishing a single per number fee for certain
8 telecommunications programs; regulating wireless
9 telephone directories; providing for additional cable
10 franchises; creating a task force on
11 telecommunications; regulating cancellation of long
12 distance service; authorizing the city of Alexandria
13 to enter into certain telecommunication joint
14 ventures; providing penalties; appropriating money;
15 amending Minnesota Statutes 2004, sections 237.11;
16 237.295, subdivisions 1, 2; 237.462, by adding
17 subdivisions; 237.69, subdivision 16, by adding a
18 subdivision; 237.70, subdivisions 2, 5; 237.74, by
19 adding a subdivision; 238.08, subdivision 1, by adding
20 a subdivision; 403.06, subdivision 1a; 403.11,
21 subdivision 1; 403.113, subdivision 1; 403.30,
22 subdivision 1; Laws 1999, chapter 224, section 7, as
23 amended; Laws 2002, chapter 329, section 5; proposing
24 coding for new law in Minnesota Statutes, chapters
25 237; 325E; 325F; repealing Minnesota Statutes 2004,
26 section 237.69, subdivisions 5, 17; Laws 1999, chapter
27 125, section 4, as amended.

28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

29

ARTICLE 1

30

REGULATORY RELIEF

31

Section 1. Minnesota Statutes 2004, section 237.11, is

32 amended to read:

33

237.11 [INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.]

34

Every telephone company subject to the provisions of this

35

chapter, wherever organized, shall keep an office in this state,

36

and make such reports to the department as it shall from time to

37

time require. The department shall only require information for

38

an annual report from a telephone company, competitive local

39

exchange carrier, or independent telephone company that consists

40

of the name of the company, contact person, annual revenue, and

41

the annual status of the 911 plan update. All books, records,

42

and files, whether they relate to competitive or noncompetitive

43

services, and all of its property shall be at all times subject

44

to inspection by the commission and the department. It shall

45

close its accounts and take therefrom a balance sheet on

46

December 31 of each year, and on or before May 1 following, such

47

balance sheet, together with such other information as the

48

department shall require, verified by an officer of the

1 telephone company, shall be filed with the commission and the
2 department.

3 In the event that any telephone company shall fail to file
4 its annual report, as provided by this section, the department
5 is authorized to make such an examination of the books, records,
6 and vouchers of the company as is necessary to procure the
7 necessary data for the annual report and cause the same to be
8 prepared. The expense of procuring this data and preparing this
9 report shall be paid by the telephone company failing to report,
10 and the amount paid shall be credited by the commissioner of
11 finance to funds appropriated for the expense of the department.

12 The department is authorized to force collection of such
13 sum by an action at law in the name of the department.

14 Sec. 2. Minnesota Statutes 2004, section 237.462, is
15 amended by adding a subdivision to read:

16 Subd. 13. [REMEDIAL PAYMENTS.] The commission's authority
17 under section 237.081 includes authority to require refunds,
18 payments, or credits intended to provide compensation for
19 financial harm resulting from any unlawful, anticompetitive
20 conduct, including unlawful discrimination under section 237.09,
21 violations of the Telecommunications Act of 1996, Public Law
22 104-10, or its successor, or breach of an interconnection
23 agreement. Any remedial payments under section 237.081 shall
24 offset penalty payments ordered under subdivision 2 for the same
25 violations.

26 Sec. 3. Minnesota Statutes 2004, section 237.462, is
27 amended by adding a subdivision to read:

28 Subd. 14. [WHOLESALE SERVICE QUALITY.] The commission's
29 authority to adopt wholesale service quality standards includes
30 the authority to establish remedy payments to provide
31 compensation and enforce those standards.

32 Sec. 4. [237.85] [DEFINITIONS.]

33 Subdivision 1. [SCOPE.] The definitions in this section
34 apply to sections 237.85 to 237.90.

35 Subd. 2. [BASIC SERVICE.] "Basic service" means one
36 unbundled, single line, unlimited local usage, residential voice

1 telephone service or unbundled single line, unlimited local
2 usage, business voice telephone service. Basic service includes:
3 (1) single party voice-grade service and touch-tone
4 capability;
5 (2) 911 or enhanced 911 access;
6 (3) 1+intraLATA and interLATA presubscription and
7 code-specific equal access to interexchange carriers subscribing
8 to its switched access service;
9 (4) access to directory assistance, directory listings, and
10 operator services;
11 (5) toll and information service-blocking;
12 (6) a white pages and directory assistance listing, or upon
13 customer request, a private listing that allows the customer to
14 have an unlisted or unpublished telephone number;
15 (7) call-tracing capability according to Minnesota Rules,
16 chapter 7813; and
17 (8) telecommunications relay service capability or access
18 necessary to comply with state and federal regulations.

19 Subd. 3. [CLASS OF SERVICES.] "Class of services" includes
20 all services provided to a particular class of customers,
21 including the residential class and the business class.

22 Subd. 4. [COMMISSION.] "Commission" means the Public
23 Utilities Commission.

24 Subd. 5. [COMPETITIVE REGULATION TELEPHONE
25 COMPANY.] "Competitive regulation telephone company" is a
26 telephone company that the commission authorizes to operate
27 under competitive regulation as provided in sections 237.86 to
28 237.90.

29 Subd. 6. [COMPETITIVE SERVICES REGULATION.] "Competitive
30 services regulation" means regulation of services determined to
31 be competitive as provided in sections 237.86 to 237.90.

32 Sec. 5. [237.86] [COMPETITIVE SERVICES REGULATION.]
33 Subdivision 1. [COMPETITION STANDARD.] Competitive
34 regulation as provided in sections 237.86 to 237.90 is permitted
35 for the residential services offered by a telephone company in
36 an exchange where three or more competitors offer comparable

1 retail residential services in the exchange. A residential
2 service is not comparable unless it provides basic service with
3 911 access through the dedicated 911 network. Competitive
4 regulation as provided in sections 237.86 to 237.90 is permitted
5 for the business class of services offered by a telephone
6 company in an exchange where three or more competitors offer
7 comparable service in an exchange through the use of unbundled
8 network elements, resale, voice over Internet protocol,
9 wireless, or a provider's own facilities, including cable. The
10 competitors must not be affiliated with the telephone company
11 seeking to be regulated under sections 237.86 to 237.90.

12 Subd. 2. [PETITION AND APPROVAL PROCESS.] (a) A telephone
13 company may petition the commission to have its retail
14 residential or business services in an exchange regulated as
15 provided in sections 237.86 to 237.90. The petition shall be
16 served upon the residential and small business utilities
17 division of the office of the attorney general, the Department
18 of Commerce, and any other persons who have requested to be on a
19 commissioner service list for petitions filed under this section.

20 (b) A petition shall be approved by the commission within
21 20 days after it is filed if it includes a signed affidavit that
22 identifies three or more competitors to the customer class or
23 classes in the exchange or exchanges covered by the petition.
24 The affidavit must be signed by an employee of the telephone
25 company with knowledge and the authority to make representations
26 on behalf of the company. Within 30 days after filing of the
27 affidavit, any interested person may file objections to the
28 petition setting forth the grounds upon which the person
29 believes the standard set forth in this section for competitive
30 services regulation has not been met. If the commission
31 determines after a hearing that the telephone company has failed
32 to meet the standard for competitive services regulation for a
33 particular class of services in a particular exchange, the
34 commission shall revoke the telephone company's competitive
35 regulation authority under sections 237.86 to 237.90 for those
36 services in the exchange in questions consistent with its

1 findings.

2 Sec. 6. [237.87] [RATES FOR SERVICES SUBJECT TO
3 COMPETITIVE SERVICES REGULATION.]

4 Subdivision 1. [PRICE AND SERVICE OFFERINGS.] A
5 competitive regulation telephone company may offer new local
6 services or change the prices, terms, or conditions of existing
7 local services as provided in this section for each class of
8 services in each exchange in which the commission has approved a
9 petition under section 237.86, subdivision 2.

10 Subd. 2. [BASIC SERVICE RATES.] (a) A competitive
11 regulation telephone company shall not increase its monthly
12 one-party residential and one-party business rates and
13 nonrecurring basic service rates for three years after the
14 commission has approved a petition under section 237.86,
15 subdivision 2. After three years, a basic services regulated
16 company may annually increase its monthly one-party residential
17 and one-party business rates and nonrecurring one-party
18 residential and one-party business installation service rates by
19 a percentage equal to or less than the inflation rate for the
20 prior year as measured by the Gross Domestic Product Price
21 Index, published by the federal government.

22 (b) Extended area service rates shall not be increased by a
23 competitive regulation telephone company without prior
24 commission approval.

25 (c) A competitive regulation telephone company may assess
26 special construction charges approved by the commission if
27 existing facilities are not available to the customer.

28 (d) Notwithstanding paragraph (a), a competitive regulation
29 telephone company may petition the commission and the commission
30 may authorize changes in residential or business local rates
31 associated with exongeous changes, including, but not limited
32 to, changes in the instrastate financial impact of:

33 (1) changes in intercarrier compensation;

34 (2) comprehensive local service rate restructuring;

35 (3) rate deaveraging;

36 (4) changes in universal service or funding payments;

1 (5) changes in local, state, or federal taxes;

2 (6) changes in the commission's application of

3 jurisdictional separation, the Uniform System of Accounts, or

4 other mandatory Financial Accounting Standards Board accounting

5 standards;

6 (7) assessments related to the use of telephone numbers,

7 including mandated number conservation efforts; and

8 (8) financial impacts of government mandates to construct

9 specific telecommunications infrastructure or develop systems.

10 Subd. 3. [OTHER PRICES SUBJECT TO EFFECTIVE

11 COMPETITION.] A competitive regulation telephone company's

12 prices for its intrastate retail services, other than basic

13 services and extended area service rates, are not subject to any

14 rate or price regulation except that the commission may, upon

15 complaint, order a competitive regulation telephone company to

16 change a retail or wholesale price or pricing practice or take

17 other appropriate action if the commission determines, after an

18 investigation, that:

19 (1) the price or pricing practice unreasonably restricts

20 resale in violation of Minnesota Statutes, section 237.121,

21 paragraph (a), clause (5);

22 (2) the price or pricing practice is unreasonably

23 discriminatory in violation of subdivision 6;

24 (3) the price or pricing practice is deceptive, misleading,

25 fraudulent, as those terms are defined in state or federal law,

26 or is otherwise unlawful under state or federal law; or

27 (4) the price or pricing practice has caused or will result

28 in substantial customer harm.

29 Subd. 4. [TARIFF CHANGES.] A competitive regulation

30 telephone company may offer new services or change the prices,

31 terms, or conditions of existing local service as permitted by

32 this section by filing amendments to its tariffs. These tariff

33 filings take effect as follows:

34 (a) A new service, price decrease, promotion, or

35 insubstantial change in the terms or conditions of a service may

36 take effect immediately upon filing without prior notice to

1 customers.

2 (b) A price increase, a substantial change in a term or
3 condition of a service, or a discontinuation of a service other
4 than basic local service may take effect 20 days after filing
5 and providing written notice to affected customers as provided
6 in clauses (1) and (2):

7 (1) the written notice of a price increase must be given in
8 simple and clear language by bill insert, bill notice, or direct
9 mail. To be simple and clear, the notice must bear the heading
10 "NOTICE OF PRICE INCREASE."

11 (2) the written notice of a substantial change in a term or
12 condition of service or of the discontinuance of a service must
13 be given in simple and clear language by bill insert, bill
14 notice, or direct mail. To be simple and clear, the notice
15 must, at a minimum, bear a heading such as "NOTICE OF CHANGE IN
16 TERMS" or "NOTICE OF DISCONTINUANCE," as appropriate.

17 Subd. 5. [COST INFORMATION.] The commission shall not
18 require a competitive regulation telephone company to file cost
19 information unless the commission determines that cost
20 information is needed to resolve a complaint or investigation
21 alleging that the competitive regulation telephone company is
22 violating a standard set forth in this section.

23 Subd. 6. [DISCRIMINATION.] No competitive regulation
24 telephone company may offer competitive services within the
25 state on terms or rates that are unreasonably discriminatory.
26 At a minimum, a competitive regulation telephone company must
27 provide its competitive services in accordance with paragraphs
28 (a) to (c).

29 (a) A competitive regulation telephone company shall charge
30 uniform rates for local services within its service area.
31 However, a competitive regulation telephone company may, upon a
32 filing under subdivision 4:

33 (1) offer unique pricing to certain customers or to certain
34 geographic locations for promotions as provided in section
35 237.626 or customer incentives of the type offered by other
36 providers and may offer local service as part of a package that

1 may include goods and services other than telecommunications
2 services. Nothing in this section is intended to give the
3 commission or department regulatory authority over
4 nontelecommunications services provided by the competitive
5 regulation telephone company;

6 (2) provide volume or term discounts;

7 (3) offer prices unique to particular customers, or groups
8 of customers, when differences in the cost of providing a
9 service, market conditions, or pricing practices of a competitor
10 justify a different price;

11 (4) pass through any legislatively authorized local taxes,
12 franchise fees, or special surcharges imposed by local or
13 regional governmental units on the services provided by the
14 competitive regulation telephone company in specific geographic
15 areas from which the taxes, fees, or surcharges originate; or
16 (5) furnish service free or at a reduced rate to its
17 officers, agents, or employees in furtherance of their
18 employment.

19 (b) A tariff providing for prices unique to particular
20 customers or groups of customers under paragraph (a), clause
21 (3), shall identify the service for which a unique price is
22 available and the conditions under which the unique price is
23 available.

24 (c) In addition to the exceptions provided in paragraph
25 (a), a competitive regulation telephone company may also charge
26 different rates for competitive local services within its
27 service territory upon a prior finding by the commission that
28 the competitive regulation telephone company has good cause to
29 do so.

30 Subd. 7. [PROTECTION FROM ANTICOMPETITIVE PRICING.] This
31 subdivision applies to prices governed by this section other
32 than one single-line local residential voice service or one
33 single-line local business voice telephone service. A
34 competitive regulation telephone company must not price its
35 local telephone services, whether offered singly or as part of a
36 bundle of services, below the total service long-run incremental

1 cost of providing the service or services.

2 Subd. 8. [RETAIL SERVICES ONLY.] The provisions of this
3 section apply only to retail services.

4 Subd. 9. [WHOLESALE OBLIGATIONS UNDER STATE AND FEDERAL
5 LAW.] Nothing in this section shall alter any wholesale
6 obligation of a competitive regulation telephone company under
7 state or federal law or the ability of the commission to enforce
8 applicable provisions of state or federal law.

9 Subd. 10. [COMPLAINTS.] The commission may investigate on
10 its own motion or upon a complaint an alleged violation of this
11 section. If the commission finds by a preponderance of the
12 evidence after a proceeding that existing rates, tariffs,
13 charges, schedules, or practices violate an applicable provision
14 of this chapter, the commission shall take appropriate action,
15 which may include ordering the competitive regulation telephone
16 company to;

17 (1) change the rate, tariff, charge, schedule, or practice;

18 (2) make the service reasonable, adequate, or obtainable;

19 or

20 (3) take other appropriate action.

21 Sec. 7. [237.88] [RATES NOT SUBJECT TO EFFECTIVE
22 COMPETITION.]

23 A competitive regulation telephone company's rates for
24 services in exchanges which the commission has not permitted to
25 be regulated under sections 237.86 to 237.90 shall be regulated
26 as otherwise provided in this chapter, except that a new
27 alternative form of regulation plan may apply only to those
28 services which have not been determined to be subject to
29 competitive services regulation or have been exempted from rate
30 regulation under section 237.411.

31 Sec. 8. [237.89] [AFOR SERVICE QUALITY; INTERIM
32 PROVISION.]

33 A competitive regulation telephone company shall comply
34 with the service quality standards, penalties, and remedies in
35 an AFOR plan in effect on June 1, 2005, until one year after the
36 commission authorizes competitive regulation for that telephone

1 company or the expiration of the AFOR plan, whichever is
2 earlier. After that time, competitive services are subject to
3 commission service quality rules of general applicability.

4 Sec. 9. [237.90] [APPLICABILITY OF OTHER LAWS;
5 COMMISSION.]

6 A competitive regulation telephone company is not subject
7 to rate-of-return regulation or the earnings investigations
8 provisions of sections 237.075, 237.081, and 237.22 during the
9 term of the election. Except as specifically provided in this
10 section, the commission retains all authority under this chapter
11 and competitive regulation telephone companies are subject to
12 the requirements of this chapter and rules of the commission,
13 including, but not limited to, laws and rules relating to the
14 provider of last resort obligations and service quality.

15 Sec. 10. Laws 1999, chapter 224, section 7, as amended by
16 Laws 2004, chapter 261, article 6, section 3, is amended to read:

17 Sec. 7. [SUNSET.]

18 ~~Sections 2 and 4 expire on August 17, 2005, and Minnesota~~
19 ~~Statutes 1998, sections 237.63, 237.65, and 237.68, expire on~~
20 ~~December 31, 2004.~~

21 [EFFECTIVE DATE.] This section is effective the day
22 following final enactment.

23 Sec. 11. [ANTISLAMMING AND OTHER FRAUD.]

24 Nothing in this act undermines or changes the consumer
25 protection laws found in Minnesota Statutes, sections 237.661;
26 237.663; and 237.665; or 325F.692.

27 ARTICLE 2

28 PER NUMBER FEE

29 Section 1. Minnesota Statutes 2004, section 237.295,
30 subdivision 1, is amended to read:

31 Subdivision 1. [~~PAYMENT-FOR-INVESTIGATION FILING FEE FOR~~
32 ~~NEW AUTHORITY.~~] ~~{a}-Whenever the department or commission, in a~~
33 ~~proceeding upon its own motion, on complaint, or upon an~~
34 ~~application to it, considers it necessary, in order to carry out~~
35 ~~the duties imposed on it, to investigate the books, accounts,~~
36 ~~practices, and activities of any company, parties to the~~

1 proceeding shall pay the expenses reasonably attributable to the
2 proceeding. -- The department and commission shall ascertain the
3 expenses, and the department shall render a bill for those
4 expenses to the parties, at the conclusion of the proceeding.
5 The department is authorized to submit billings to parties at
6 intervals selected by the department during the course of a
7 proceeding.

8 (b) The allocation of costs may be adjusted for cause by
9 the commission during the course of the proceeding, or upon the
10 closing of the docket and issuance of an order. -- In addition to
11 the rights granted in subdivision 3, parties to a proceeding may
12 object to the allocation at any time during the proceeding.
13 Withdrawal by a party to a proceeding does not absolve the party
14 from paying allocated costs as determined by the commission.
15 The commission may decide that a party should not pay any
16 allocated costs of the proceeding.

17 (c) The bill constitutes notice of the assessment and a
18 demand for payment. -- The amount of the bills assessed by the
19 department under this subdivision must be paid by the parties
20 into the state treasury within 30 days from the date of
21 assessment. -- The total amount, in a calendar year, for which a
22 telephone company may become liable, by reason of costs incurred
23 by the department and commission within that calendar year, may
24 not exceed two-fifths of one percent of the gross jurisdictional
25 operating revenue of the telephone company in the last preceding
26 calendar year. -- Direct charges may be assessed without regard to
27 this limitation until the gross jurisdictional operating revenue
28 of the telephone company for the preceding calendar year has
29 been reported for the first time. -- Where, under this
30 subdivision, costs are incurred within a calendar year that are
31 in excess of two-fifths of one percent of the gross
32 jurisdictional operating revenues, the excess costs are not
33 chargeable as part of the remainder under subdivision 2.

34 (d) Except as otherwise provided in paragraph (e), for
35 purposes of assessing the cost of a proceeding to a party,
36 "party" means any entity or group subject to the laws and rules

1 of-this-state,-however-organized,-whether-public-or-private,
 2 whether-domestic-or-foreign,-whether-for-profit-or-nonprofit,
 3 and-whether-natural,-corporate,-or-political,-such-as-a-business
 4 or-commercial-enterprise-organized-as-any-type-or-combination-of
 5 corporation,-limited-liability-company,-partnership,-limited
 6 liability-partnership,-proprietorship,-association,-cooperative,
 7 joint-venture,-carrier,-or-utility,-and-any-successor-or
 8 assignee-of-any-of-them,-a-social-or-charitable-organization,
 9 and-any-type-or-combination-of-political-subdivision,-which
 10 includes-the-executive,-judicial,-or-legislative-branch-of-the
 11 state,-a-local-government-unit,-an-agency-of-the-state-or-a
 12 local-government-unit,-or-a-combination-of-any-of-them.

13 (e)-For-assessment-and-billing-purposes,-"party"-does-not
 14 include-the-Department-of-Commerce-or-the-Residential-Utilities
 15 Division-of-the-Office-of-Attorney-General,-any-entity-or-group
 16 instituted-primarily-for-the-purpose-of-mutual-help-and-not
 17 conducted-for-profit,-interveners-awarded-compensation-under
 18 section-237.075,-subdivision-10,-or-any-individual-or-group-or
 19 counsel-for-the-individual-or-group-representing-the-interests
 20 of-end-users-or-classes-of-end-users-of-services-provided-by
 21 telephone-companies-or-telecommunications-carriers,-as
 22 determined-by-the-commission An application for a new authority
 23 must be accompanied by a payment not to exceed \$2,000 as
 24 determined by the Public Utilities Commission. This fee will be
 25 reviewed annually and adjusted accordingly.

26 Sec. 2. Minnesota Statutes 2004, section 237.295,
 27 subdivision 2, is amended to read:

28 Subd. 2. [ASSESSMENT OF COSTS.] The department and
 29 commission shall quarterly, at least 30 days before the start of
 30 each quarter, estimate the total of their expenditures in the
 31 performance of their duties relating to telephone companies,
 32 other than amounts chargeable to telephone companies under
 33 subdivision 1, 5, or 6. The remainder must be assessed by the
 34 department to the telephone companies operating in this state in
 35 proportion to their respective gross jurisdictional operating
 36 revenues during the last calendar year. The assessment must be

1 paid into the state treasury within 30 days after the bill has
2 been mailed to the telephone companies. The bill constitutes
3 notice of the assessment and demand of payment. ~~The total~~
4 ~~amount that may be assessed to the telephone companies under~~
5 ~~this subdivision may not exceed one-eighth of one percent of the~~
6 ~~total gross jurisdictional operating revenues during the~~
7 ~~calendar year.~~ The assessment for the third quarter of each
8 fiscal year must be adjusted to compensate for the amount by
9 which actual expenditures by the commission and department for
10 the preceding fiscal year were more or less than the estimated
11 expenditures previously assessed. A telephone company with
12 gross jurisdictional operating revenues of less than \$5,000 is
13 exempt from assessments under this subdivision.

14 Sec. 3. [237.491] [COMBINED PER NUMBER FEE.]

15 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
16 subdivision apply to this section.

17 (b) "911 emergency and public safety communications program"
18 means the program governed by chapter 403.

19 (c) "Service provider" means a provider doing business in
20 Minnesota who provides real time, two-way voice service
21 interconnected with the public switched telephone network using
22 numbers allocated for Minnesota assigned by the North American
23 Numbering Plan Administration.

24 (d) "Telecommunications access Minnesota program" means the
25 program governed by sections 237.50 to 237.55.

26 (e) "Telephone assistance program" means the program
27 governed by sections 237.69 to 237.711.

28 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
29 Utilities Commission shall establish a fee that applies to each
30 service provider based upon the amount of numbers allocated for
31 Minnesota assigned by the North American Numbering Plan
32 Administration in use by the provider. The fee must be set at a
33 level calculated to generate only the amount of revenue
34 necessary to fund:

35 (1) the telephone assistance program and the
36 telecommunications access Minnesota program at the levels

1 established by the commission under sections 237.52, subdivision
2 2, and 237.70; and

3 (2) the 911 emergency and public safety communications
4 program at the approved appropriation levels for current fiscal
5 years.

6 (b) Notwithstanding any law to the contrary, the Public
7 Utilities Commission shall, by order, establish the procedures
8 by which each service provider, to the extent allowed under
9 federal law, shall collect and remit the fee proceeds to the
10 Department of Revenue. The commissioner of revenue shall
11 allocate the fee proceeds to the three funding areas in
12 paragraph (a) and shall deposit the allocations into the
13 appropriate accounts.

14 (c) The per access line fee used to collect revenues to
15 support the TAP, TAM, and 911 programs shall remain in effect
16 until replaced by the per telephone number fee.

17 Sec. 4. Minnesota Statutes 2004, section 237.69,
18 subdivision 16, is amended to read:

19 Subd. 16. [TELEPHONE ASSISTANCE PLAN.] "Telephone
20 assistance plan" means the plan to be adopted by the commission
21 and to be jointly administered by the commission, the Department
22 of ~~Human-Services,-and-the-telephone-companies,~~ Commerce, and
23 the local service providers, as required by sections 237.69 to
24 237.711.

25 Sec. 5. Minnesota Statutes 2004, section 237.69, is
26 amended by adding a subdivision to read:

27 Subd. 18. [LOCAL SERVICE PROVIDER.] "Local service
28 provider" means:

29 (1) a telephone company or telecommunications carrier
30 providing local service in Minnesota pursuant to a certificate
31 of authority granted by the commission; or

32 (2) a commercial mobile radio service (CMRS) provider,
33 personal communications services (PCS) provider, or other
34 wireless provider offering the functional equivalent of CMRS or
35 PCS in Minnesota.

36 Sec. 6. Minnesota Statutes 2004, section 237.70,

1 subdivision 2, is amended to read:

2 Subd. 2. [SCOPE.] The telephone assistance plan must be
3 statewide and apply to local service providers that provide
4 ~~local-exchange~~ service in Minnesota.

5 Sec. 7. Minnesota Statutes 2004, section 237.70,
6 subdivision 5, is amended to read:

7 Subd. 5. [NATURE AND EXTENT OF CREDITS.] The telephone
8 assistance plan may provide for telephone assistance credits to
9 eligible households up to the amounts available under the
10 federal matching plan. However, the credits available under the
11 telephone assistance plan may not exceed:

12 (1) more than 50 percent of the local ~~exchange~~ rate charged
13 for the local ~~exchange~~ service provided to the household by that
14 household's local service provider; and

15 (2) the level of credits that can actually be funded in
16 accordance with the limitations contained in subdivision 6.

17 Sec. 8. [325F.991] [911 EMERGENCY PHONE SERVICE
18 REPRESENTATIONS.]

19 Subdivision 1. [DEFINITIONS.] For purposes of this
20 section, the terms defined in this subdivision have the meanings
21 given them.

22 (a) "911 emergency telecommunications system" means a
23 dedicated emergency telecommunications system required by
24 section 403.025.

25 (b) "Person" means an individual, corporation, firm, or
26 other legal entity.

27 (c) "Service provider" means a person doing business in
28 Minnesota who provides real time, two-way voice service
29 interconnected with the public switched telephone network using
30 numbers allocated for Minnesota by the North American Numbering
31 Plan Administration.

32 Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall
33 not advertise, market, or otherwise represent that the person
34 furnishes a service capable of providing access to emergency
35 services by dialing 911 unless the person provides a service
36 that routes 911 calls through the 911 emergency

1 telecommunications system.

2 Subd. 3. [DISCLOSURE.] A service provider must disclose in
3 all advertisements, marketing materials, and contracts whether
4 or not it provides 911 dialing that routes 911 calls through the
5 911 emergency telecommunications system. The disclosure must be
6 in capital letters, in 12-point font, and on the front page of
7 the advertisement, marketing materials, and contracts. For
8 service providers that do route 911 calls through the 911
9 emergency telecommunications system, the disclosure must state:
10 "THIS SERVICE INCLUDES 911 CALLING ROUTED THROUGH THE 911
11 EMERGENCY SYSTEM." For service providers that do not route 911
12 calls through the 911 emergency telecommunications system, the
13 disclosure must state: "THIS SERVICE DOES NOT ROUTE 911 CALLS
14 THROUGH THE 911 EMERGENCY SYSTEM."

15 Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of
16 this section, 911 calls routed to the general access number at a
17 public safety answering point do not qualify as being routed
18 through a 911 emergency telecommunications system.

19 Sec. 9. Minnesota Statutes 2004, section 403.06,
20 subdivision 1a, is amended to read:

21 Subd. 1a. [BIENNIAL BUDGET; ANNUAL FINANCIAL REPORT.] The
22 commissioner shall prepare a biennial budget for maintaining the
23 911 system. By December 15 of each year, the commissioner shall
24 submit a report to the legislature detailing the expenditures
25 for maintaining the 911 system, the 911 fees ~~collected~~ deposited
26 by the Department of Revenue, the balance of the 911 fund, and
27 the 911-related administrative expenses of the commissioner.
28 The commissioner is authorized to expend money that has been
29 appropriated to pay for the maintenance, enhancements, and
30 expansion of the 911 system.

31 Sec. 10. Minnesota Statutes 2004, section 403.11,
32 subdivision 1, is amended to read:

33 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]
34 (a) Each customer of a wireless or wire-line telecommunications
35 service provider that furnishes service capable of originating a
36 911 emergency telephone call is assessed a fee under section

1 237.491 to cover the costs of ongoing maintenance and related
2 improvements for trunking and central office switching equipment
3 for 911 emergency telecommunications service, plus
4 administrative and staffing costs of the commissioner related to
5 managing the 911 emergency telecommunications service program.
6 Recurring charges by a wire-line telecommunications service
7 provider for updating the information required by section
8 403.07, subdivision 3, must be paid by the commissioner if the
9 wire-line telecommunications service provider is included in an
10 approved 911 plan and the charges are made pursuant to tariff,
11 price list, or contract. A portion of the fee assessed under
12 ~~this~~ section 237.491 must also be used for the purpose of
13 offsetting the costs, including administrative and staffing
14 costs, incurred by the State Patrol Division of the Department
15 of Public Safety in handling 911 emergency calls made from
16 wireless phones.

17 (b) Money remaining in the 911 emergency telecommunications
18 service account after all other obligations are paid must not
19 cancel and is carried forward to subsequent years and may be
20 appropriated from time to time to the commissioner to provide
21 financial assistance to counties for the improvement of local
22 emergency telecommunications services. The improvements may
23 include providing access to 911 service for telecommunications
24 service subscribers currently without access and upgrading
25 existing 911 service to include automatic number identification,
26 local location identification, automatic location
27 identification, and other improvements specified in revised
28 county 911 plans approved by the commissioner.

29 ~~(c) The fee may not be less than eight cents nor more than~~
30 ~~40 cents a month for each customer access line or other basic~~
31 ~~access service, including trunk equivalents as designated by the~~
32 ~~Public Utilities Commission for access charge purposes and~~
33 ~~including wireless telecommunications services. With the~~
34 ~~approval of the commissioner of finance, the commissioner of~~
35 ~~public safety shall establish the amount of the fee within the~~
36 ~~limits specified and inform the companies and carriers of the~~

1 amount-to-be-collected.--When-the-revenue-bonds-authorized-under
2 section-403.27,-subdivision-1,-have-been-fully-paid-or-defeased,
3 the-commissioner-shall-reduce-the-fee-to-reflect-that-debt
4 service-on-the-bonds-is-no-longer-needed.--The-commissioner
5 shall-provide-companies-and-carriers-a-minimum-of-45-days'
6 notice-of-each-fee-change.--The-fee-must-be-the-same-for-all
7 customers-

8 (d)-The-fee-must-be-collected-by-each-wireless-or-wire-line
9 telecommunications-service-provider-subject-to-the-fee.--Fees
10 are-payable-to-and-must-be-submitted-to-the-commissioner-monthly
11 before-the-25th-of-each-month-following-the-month-of-collection,
12 except-that-fees-may-be-submitted-quarterly-if-less-than-\$250-a
13 month-is-due,-or-annually-if-less-than-\$25-a-month-is-due.
14 Receipts-must-be-deposited-in-the-state-treasury-and-credited-to
15 a-911-emergency-telecommunications-service-account-in-the
16 special-revenue-fund.--The-money-in-the-account-may-only-be-used
17 for-911-telecommunications-services-

18 (e) This subdivision does not apply to customers of
19 interexchange carriers.

20 (f) (d) The installation and recurring charges for
21 integrating wireless 911 calls into enhanced 911 systems must be
22 paid by the commissioner if the 911 service provider is included
23 in the statewide design plan and the charges are made pursuant
24 to tariff, price list, or contract.

25 Sec. 11. Minnesota Statutes 2004, section 403.113,
26 subdivision 1, is amended to read:

27 Subdivision 1. [FEE GRANT.] (a) Each-customer-receiving
28 service-from-a-wireless-or-wire-line-telecommunications-service
29 provider-is-assessed-a-fee The commissioner shall budget for and
30 provide grants to PSAPs to fund implementation, operation,
31 maintenance, enhancement, and expansion of enhanced 911 service,
32 including acquisition of necessary equipment and the costs of
33 the commissioner to administer the program. The-actual-fee
34 assessed-under-section-403.11-and-the-enhanced-911-service-fee
35 must-be-collected-as-one-amount-and-may-not-exceed-the-amount
36 specified-in-section-403.11,-subdivision-1,-paragraph-(e)-

1 ~~(b) The enhanced 911 service fee must be collected and~~
2 ~~deposited in the same manner as the fee in section 403.11 and~~
3 ~~used solely for the purposes of paragraph (a) and subdivision 3.~~
4 ~~(e) The commissioner, in consultation with counties and 911~~
5 ~~system users, shall determine the amount of the enhanced 911~~
6 ~~service fee grant. The fee grant must include at least ten~~
7 ~~cents-per-month the amount funded in fiscal year 2005 to be~~
8 ~~distributed under subdivision 2. The commissioner shall inform~~
9 ~~wireless and wire-line telecommunications service providers that~~
10 ~~provide service capable of originating a 911 emergency telephone~~
11 ~~call of the total amount of the 911 service fees in the same~~
12 ~~manner as provided in section 403.11.~~

13 Sec. 12. Minnesota Statutes 2004, section 403.30,
14 subdivision 1, is amended to read:

15 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]
16 For each fiscal year beginning with the fiscal year commencing
17 July 1, 1997, the amount necessary to pay the following costs is
18 appropriated to the commissioner of public safety from the 911
19 emergency telecommunications service account established under
20 section 403.11:

21 (1) debt service costs and reserves for bonds issued
22 pursuant to section 403.27;

23 (2) repayment of the right-of-way acquisition loans;

24 (3) costs of design, construction, maintenance of, and
25 improvements to those elements of the first, second, and third
26 phases that support mutual aid communications and emergency
27 medical services;

28 (4) recurring charges for leased sites and equipment for
29 those elements of the first, second, and third phases that
30 support mutual aid and emergency medical communication services;
31 or

32 (5) aid to local units of government for sites and
33 equipment in support of mutual aid and emergency medical
34 communications services.

35 This appropriation shall be used to pay annual debt service
36 costs and reserves for bonds issued pursuant to section 403.27

1 prior to use of fee money to pay other costs eligible under this
 2 subdivision. In no event shall the appropriation for each
 3 fiscal year exceed an amount equal to ~~four-cents-a-month-for~~
 4 ~~each-customer-access-line-or-other-basic-access-service,~~
 5 ~~including-trunk-equivalents-as-designated-by-the-Public~~
 6 ~~Utilities-Commission-for-access-charge-purposes-and-including~~
 7 ~~cellular-and-other-nonwire-access-services,-in-the-fiscal~~
 8 year 4/40 of the amount collected by the fiscal year 2005 911
 9 fee. Beginning July 1, ~~2004~~ 2005, this amount will increase
 10 to ~~13-cents-a-month~~ 13/40 of the amount collected by the fiscal
 11 year 2005 911 fee.

12 Sec. 13. [REPEALER.]

13 (a) Minnesota Statutes 2004, section 237.69, subdivisions 5
 14 and 17, are repealed.

15 (b) Laws 1999, chapter 125, section 4, as amended by Laws
 16 2002, chapter 398, section 2, is repealed.

17 Sec. 14. [EFFECTIVE DATE.]

18 Sections 1 to 13 are effective the day following final
 19 enactment.

20 ARTICLE 3

21 WIRELESS DIRECTORIES

22 Section 1. [325E.317] [DEFINITIONS

23 Subdivision 1. [SCOPE.] For the purposes of sections
 24 325E.317 and 325E.318, the terms defined in this section have
 25 the meanings given them.

26 Subd. 2. [PROVIDER.] "Provider" means a provider of
 27 wireless telecommunications services.

28 Subd. 3. [TELECOMMUNICATIONS
 29 SERVICES.] "Telecommunications services" has the meaning given
 30 in section 297A.61, subdivision 24, paragraph (a).

31 Subd. 4. [WIRELESS DIRECTORY ASSISTANCE
 32 SERVICE.] "Wireless directory assistance service" means any
 33 service for connecting calling parties to a wireless
 34 telecommunications services customer when the calling parties
 35 themselves do not possess the customer's wireless telephone
 36 number information.

1 Subd. 5. [WIRELESS TELECOMMUNICATIONS SERVICES.] "Wireless
2 telecommunications services" has the meaning given in section
3 325F.695.

4 Subd. 6. [WIRELESS TELEPHONE DIRECTORY.] "Wireless
5 telephone directory" means a directory or database containing
6 wireless telephone number information or any other identifying
7 information by which a calling party may reach a wireless
8 telecommunications services customer.

9 Subd. 7. [WIRELESS TELEPHONE NUMBER
10 INFORMATION.] "Wireless telephone number information" means the
11 telephone number, electronic address, and any other identifying
12 information by which a calling party may reach a wireless
13 telecommunications services customer, which is assigned by a
14 provider to the customer and includes the customer's name and
15 address.

16 Sec. 2. [325E.318] [WIRELESS DIRECTORIES.]

17 Subdivision 1. [NOTICE.] No provider of wireless
18 telecommunications service, or any direct or indirect affiliate
19 or agent of a provider, may include the wireless telephone
20 number information of a customer in a wireless telephone
21 directory assistance service database or publish, sell, or
22 otherwise disseminate the contents of a wireless telephone
23 directory assistance service database unless the provider
24 provides a conspicuous notice to the subscriber informing the
25 subscriber that the subscriber will not be listed in a wireless
26 directory assistance service database without the subscriber's
27 prior express authorization.

28 Subd. 2. [AUTHORIZATION.] (a) A provider, or any direct or
29 indirect affiliate or agent of a provider, may not disclose,
30 provide, or sell a customer's wireless telephone number
31 information, or any part thereof, for inclusion in a wireless
32 telephone directory of any form, and may not sell a wireless
33 telephone directory containing a customer's wireless telephone
34 number information without first receiving prior express
35 authorization from the customer. The customer's authorization
36 must meet the following requirements:

1 (1) consent shall be affirmatively obtained separately from
2 the execution of the service contract via verifiable means; and

3 (2) consent shall be unambiguous and conspicuously disclose
4 that the subscriber is consenting to have the customer's dialing
5 number sold or licensed as part of a publicly available
6 directory assistance database.

7 (b) A record of the authorization shall be maintained for
8 the duration of the service contract or any extension of the
9 contract.

10 (c) A subscriber who provides express consent pursuant to
11 paragraph (a) may revoke that consent at any time. A provider
12 must comply with the customer's request to be removed from the
13 directory and remove such listing from directory assistance
14 within 60 days.

15 Subd. 3. [NO FEE TO RETAIN PRIVACY.] A customer shall not
16 be charged for opting not to be listed in a wireless telephone
17 directory.

18 Subd. 4. [REMEDIES.] A person who violates this section is
19 subject to the remedies under section 8.31, except subdivision
20 3a.

21 Sec. 3. [EFFECTIVE DATE.]

22 Sections 1 and 2 are effective the day following final
23 enactment.

ARTICLE 4

CABLE FRANCHISE

26 Section 1. Minnesota Statutes 2004, section 238.08,
27 subdivision 1, is amended to read:

28 Subdivision 1. [REQUIREMENT; CONDITIONS.] (a) A
29 municipality or its joint commission created pursuant to
30 subdivision 5 shall require a franchise or extension permit of
31 any cable communications system providing service within the
32 municipality.

33 (b) No municipality or its joint commission shall grant an
34 additional franchise for cable service for an area included in
35 an existing franchise on terms and conditions more favorable or
36 less burdensome than those in the existing franchise pertaining

1 to: ~~(1) the area served;~~ ~~(2)~~ public, educational, or
2 governmental access requirements; or ~~(3)~~ (2) franchise fees.
3 ~~The provisions of this paragraph shall not apply when the area~~
4 ~~in which the additional franchise is being sought is not~~
5 ~~actually being served by any existing cable communications~~
6 ~~system holding a franchise for the area.---Nothing in this~~
7 ~~paragraph prevents a municipality from imposing additional terms~~
8 ~~and conditions on any additional franchises~~ The provisions of
9 this paragraph shall not apply when the area in which the
10 additional franchise is being sought is not actually being
11 served by any existing cable communications system holding a
12 franchise for the area. Nothing in this paragraph prevents a
13 municipality from imposing additional terms and conditions on
14 any additional franchises related to the unserved area. The
15 grant of an additional franchise may include an area for cable
16 service similar to that in an existing franchise or another area
17 that the municipality or its joint commission determines is
18 necessary or desirable to reasonably meet the needs of the
19 municipality or its joint commission. If an additional
20 franchise area is not similar to an existing franchise area, the
21 municipality or joint commission shall ensure that access to
22 cable service is not denied because of the income status of
23 subscribers. Additional franchises must be granted or rejected
24 by a municipality or joint commission within 120 days of an
25 application deemed complete in compliance with section 238.081,
26 subdivision 4, by the municipality or the joint commission
27 unless the date is extended by mutual agreement of the applicant
28 and the municipality or its joint commission.

29 Sec. 2. Minnesota Statutes 2004, section 238.08, is
30 amended by adding a subdivision to read:

31 Subd. 1a. [LOCAL PUBLIC, EDUCATIONAL, AND GOVERNMENTAL
32 ACCESS CHANNELS.] (a) An additional franchisee must ensure that
33 all subscribers receive local public, educational, governmental
34 access and public local origination channels within the
35 additional franchisee's franchise area.

36 (b) An additional franchise must ensure that all

1 subscribers receive local public, educational, and governmental
2 access channels and public local origination channels as
3 specified in the existing franchise and on the same channel
4 numbers as the existing franchisee. Every cable franchisee
5 shall permit any other franchisee to interconnect all local
6 public, educational, governmental access, and public local
7 origination programming and channel feeds. The municipality or
8 its joint commission shall determine all terms and conditions of
9 such interconnection to permit the interconnection and provision
10 of the public, educational, and governmental services. The
11 municipality or its joint commission may require that such
12 interconnection occur on government property or on public
13 rights-of-way. The costs of connection to the existing
14 franchisee's public, educational, governmental access and public
15 local origination programming and channel feeds must be borne by
16 the additional franchisee.

17 (c) An additional franchise provider shall make financial
18 contributions that are equivalent on a per customer basis or
19 mutually agreed upon terms, proportionate to contributions made
20 to the public, educational, and government access service,
21 facilities, and equipment provided or made available by the
22 existing franchise provider.

23 (d) A municipality or its joint commission may not impose
24 public, educational, and governmental access, local origination,
25 institutional network, or other obligations on the additional
26 franchisee that would exceed those imposed on the existing
27 franchisee.

28 Sec. 3. [EFFECTIVE DATE.]

29 Sections 1 and 2 are effective the day following final
30 enactment.

31 ARTICLE 5

32 TASK FORCE ON TELECOMMUNICATIONS

33 Section 1. [JOINT LEGISLATIVE TASK FORCE ON
34 TELECOMMUNICATIONS.]

35 (a) The joint legislative task force on telecommunications
36 is created. It consists of four members from each body of the

1 Minnesota legislature, two of whom must be from the minority
2 caucus in each body, to be designated by the chairs of the
3 senate and house committees having subject matter responsibility
4 for telecommunications. The cochairs are the respective chairs
5 of the senate and house committees having subject matter
6 responsibility for telecommunications, or their designees.
7 Members must include at least one representative from the
8 following stakeholder groups recommended by the legislative
9 members of the task force and invited to participate by the
10 cochairs:

- 11 (1) Minnesota Telecommunications Alliance;
- 12 (2) competitive local exchange carriers;
- 13 (3) large ILECS;
- 14 (4) small ILECS;
- 15 (5) long-distance providers;
- 16 (6) wireless providers;
- 17 (7) cable services providers;
- 18 (8) Internet service;
- 19 (9) VOIP providers;
- 20 (10) cable services administrator associations;
- 21 (11) municipal associations;
- 22 (12) municipal utilities associations;
- 23 (13) residential consumer associations (two members);
- 24 (14) business consumer associations (two members);
- 25 (15) office of the attorney general;
- 26 (16) Department of Commerce; and
- 27 (17) Public Utilities Commission (ex officio).
- 28 (b) The task force must:
 - 29 (1) conduct a full review of existing Minnesota
30 telecommunications regulation and rules in chapters 237 and 238;
31 and
 - 32 (2) make recommendations for revision of Minnesota
33 telecommunications regulation and rules by January 15, 2006, to
34 the Minnesota Senate Jobs, Energy and Community Development
35 Committee and to the Minnesota House Regulated Industries
36 Committee.

1 (c) On request by the cochairs of the task force, the
2 commissioner of commerce shall assess from telephone companies,
3 in addition to assessments made under section 237.295, the
4 amount requested for the operation of the task force but not to
5 exceed \$100,000 in a fiscal year. The amount assessed is
6 appropriated to the Department of Commerce for the purposes of
7 the task force, and is available until expended. The department
8 shall apportion those costs among all telephone companies in
9 proportion to their respective gross operating revenues from the
10 sale of telephone services within the state during the last
11 calendar year. The department shall assess telephone companies
12 and issue bills in accordance with the billing and assessment
13 procedures provided in section 237.295, to the extent that these
14 procedures do not conflict with this section.

15 (d) The Department of Commerce must provide staff and
16 expertise to the task force directly or by contract and may
17 reimburse the expenses of persons requested to assist the task
18 force in its duties other than state employees or employees of
19 telephone companies. The Department of Commerce must provide
20 administrative assistance to the task force.

21 (e) The joint legislative task force on telecommunications
22 shall expire July 1, 2007.

ARTICLE 6

CANCELLATION OF LONG DISTANCE SERVICE

25 Section 1. Minnesota Statutes 2004, section 237.74, is
26 amended by adding a subdivision to read:

27 Subd. 14. [CANCELLATION OF LONG DISTANCE SERVICE.] (a) A
28 telecommunications carrier providing long distance service may
29 not charge a customer for long distance service after the
30 customer has requested that carrier to cancel the customer's
31 long distance service.

32 (b) Notwithstanding the limitation on charges in paragraph
33 (a), if a customer with a fixed term contract requests that a
34 telecommunications carrier providing long distance service
35 cancel that customer's long distance service, the
36 telecommunications carrier may charge the customer for long

1 distance service until the end of the contract term but not
2 after the end of the contract term.

3 (c) A telecommunications carrier providing long distance
4 service may not require a customer to contact the customer's
5 local telephone service provider in order for the customer to
6 cancel long distance service with the carrier.

7 ARTICLE 7

8 CITY OF ALEXANDRIA JOINT VENTURE AUTHORITY

9 Section 1. Laws 2002, chapter 329, section 5, is amended
10 to read:

11 Sec. 5. [JOINT VENTURE AUTHORITY.]

12 (a) The city of Alexandria may enter into a joint
13 venture or joint ventures with one, two, or three of the
14 entities known as Runestone Telephone Association and, Runestone
15 Electric Association, and Gardonville Telephone Cooperative for
16 the purpose of providing local niche service, including internet
17 services, and point to point transmission of digital information.

18 (b) For purposes of this section, with respect to the
19 services described in paragraph (a), the city of Alexandria and
20 a joint venture to which it is a party shall have the rights and
21 authority granted by, and be subject to, Minnesota Statutes 2001
22 Supplement, section 452.25, except for the provisions of that
23 section which relate specifically and only to electric utilities.

24 (c) For the purposes of this section, "local niche service"
25 refers to point-to-point connections between end-user locations
26 within a service area and any telecommunications services under
27 the public utilities commission's jurisdiction under Minnesota
28 Statutes, chapter 237 that do not fall within the definition of
29 local service or the definition of interexchange service.

30 (d) If the city of Alexandria obtains authority to provide
31 local service or interexchange service under chapter 237, it may
32 enter into a joint venture with the entities identified in
33 paragraph (a) for those purposes.

34 [EFFECTIVE DATE; LOCAL APPROVAL.] This section is effective
35 as to the city of Alexandria the day after the city of
36 Alexandria's governing body and its chief clerical officer

- 1 timely complete compliance with Minnesota Statutes, section
- 2 645.021, subdivisions 2 and 3.

1 Senator moves to amend the committee engrossment
2 (SF1370CE) of S.F. No. 1370 as follows:

3 Pages 22 to 24, delete section 1 to 3, and insert:

4 "Section 1. Minnesota Statutes 2004, section 238.08,
5 subdivision 1, is amended to read:

6 Subdivision 1. [REQUIREMENT; CONDITIONS.] (a) A
7 municipality shall require a franchise or extension permit of
8 any cable communications system providing service within the
9 municipality.

10 (b) No municipality shall grant an additional franchise for
11 cable service for an area included in an existing franchise on
12 terms and conditions more favorable or less burdensome than
13 those in the existing franchise pertaining to: (1) the area
14 served; (2) public, educational, or governmental access
15 requirements; or (3) franchise fees. An additional franchise
16 shall permit a provider to build out an area served on a
17 reasonable time frame of not more than .. years. In the event
18 an existing franchise was granted through a joint commission
19 created pursuant to subdivision 5 of this section and such
20 existing franchise includes a requirement to provide service
21 across multiple municipalities served by the joint commission, a
22 municipality may grant an additional franchise with an area
23 served requirement that is limited to its municipal boundaries
24 without violating this section, provided that the terms and
25 conditions in the additional franchise pertaining to the area
26 served within the municipal boundaries are no more favorable nor
27 less burdensome than those applicable to the same municipal
28 boundaries in the existing franchise. The provisions of this
29 paragraph shall not apply when the area in which the additional
30 franchise is being sought is not actually being served by any
31 existing cable communications system holding a franchise for the
32 area. Nothing in this paragraph prevents a municipality from
33 imposing additional terms and conditions on any additional
34 franchises."

35 Amend the title accordingly

1 Senator moves to amend the committee engrossment
2 (SF1370CE) of S.F. No. 1370 as follows:

3 Page 13, delete lines 21 to 23, and insert "with a
4 Minnesota telephone number. "Minnesota telephone number" means
5 a ten-digit telephone number being used to connect to the public
6 switched telephone network and starting with area code 651, 612,
7 763, 952, 320, 218, or 507, or any subsequent area code assigned
8 to Minnesota."

9 Page 13, delete lines 30 and 31, and insert "service
10 provider based upon the number of Minnesota telephone numbers in
11 use by current customers of the service provider"

12 Page 13, line 32, delete everything before the period

13 Page 14, line 35, before the period, insert ", which has
14 been designated by the commission as an eligible
15 telecommunications carrier in Minnesota pursuant to 47 United
16 States Code, section 214, and relevant federal regulations"

1 Senator moves to amend the committee engrossment
2 (SF1370CE) of S.F. No. 1370 as follows:

3 Page 16, delete lines 2 to 14, and insert:

4 "Subd. 3. [DISCLOSURE.] A service provider that does not
5 provide 911 dialing that routes 911 calls through the 911
6 emergency telecommunications system must disclose that fact in
7 all advertisements, marketing materials, and contracts. The
8 disclosure must be in capital letters, in 12-point font, and on
9 the front page of the advertisement, marketing materials, and
10 contracts. The disclosure must state: "THIS SERVICE DOES NOT
11 ROUTE 911 CALLS THROUGH THE 911 EMERGENCY SYSTEM."

1 Senator moves to amend the committee engrossment
2 (SF1370CE) of S.F. No. 1370 as follows:

3 Page 23, line 15, delete "may" and insert "must"

4 Page 23, line 16, delete "similar" and insert "equal" and
5 delete everything after "franchise" and insert a period

6 Page 23, delete lines 17 to 22

7 Page 23, line 23, delete "subscribers."

8 Page 24, line 18, delete "on a per customer basis"

9 Page 24, line 19, delete "proportionate" and insert "equal"

1 Senator moves to amend the committee engrossment
2 (SF1370CE) of S.F. No. 1370 as follows:

3 Pages 22 to 24, delete article 4

4 Renumber the articles in sequence and correct the internal
5 references

6 Amend the title accordingly

1 Senator moves to amend the committee engrossment
2 (SF1370CE) of S.F. No. 1370 as follows:

3 Page 23, line 21, delete "access to" and insert "the
4 additional franchise area is reasonably comparable on the basis
5 of average residential market valuation by comparison to the
6 existing franchise area"

7 Page 23, delete line 22

8 Page 23, line 23, delete "subscribers"

1 Senator moves to amend the committee engrossment
2 (SF1370CE) of S.F. No. 1370 as follows:

3 Page 2, delete sections 2 and 3

4 Renumber the sections in sequence and correct the internal
5 references

6 Amend the title accordingly

1 Senator moves to amend the committee engrossment
2 (SF1370CE) of S.F. No. 1370 as follows:

3 Page 5, after line 1, insert:

4 "Subd. 3. [CONSUMER SAFEGUARDS.] A competitive regulation
5 telephone company must, within three years of the approval of a
6 petition under subdivision 2, provide unbundled high-speed
7 connection accessibility to at least 75 percent of its customers
8 in each exchange that it operates as a competitive regulation
9 telephone company."

10 Page 5, lines 13 and 15, delete "three" and insert "five"

1 Senator moves to amend the committee engrossment
2 (SF1370CE) of S.F. No. 1370 as follows:

3 Page 4, line 19, delete "commissioner" and insert
4 "commission"

5 Page 6, line 16, delete "or wholesale"

6 Page 23, lines 3 to 7, reinstate the stricken language

7 Page 23, line 8, reinstate the stricken language and delete
8 the new language

9 Page 23, delete lines 9 to 13

10 Page 23, line 14, delete "any additional franchises"

1 Senator moves to amend the committee engrossment
2 (SF1370CE) of S.F. No. 1370 as follows:

3 Page 2, line 23, after the period, insert "The maximum
4 remedial payment that may be ordered is the lesser of \$250,000
5 or ten percent of the maximum penalty payment that could be
6 ordered under subdivision 2."

7 Page 2, after line 25, insert:

8 "[**EFFECTIVE DATE.**] This section is effective August 1,
9 2005, and applies to commission orders issued on or after that
10 date."

1 Senator Anderson from the Committee on Jobs, Energy and
2 Community Development, to which was referred

3 S.F. No. 1370: A bill for an act relating to
4 telecommunications; providing for standardized provider
5 contracts; proposing coding for new law in Minnesota Statutes,
6 chapter 237.

7 Reports the same back with the recommendation that the bill
8 be amended as follows:

9 Delete everything after the enacting clause and insert:

10 "ARTICLE 1

11 REGULATORY RELIEF

12 Section 1. Minnesota Statutes 2004, section 237.11, is
13 amended to read:

14 237.11 [INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.]

15 Every telephone company subject to the provisions of this
16 chapter, wherever organized, shall keep an office in this state,
17 and make such reports to the department as it shall from time to
18 time require. The department shall only require information for
19 an annual report from a telephone company, competitive local
20 exchange carrier, or independent telephone company that consists
21 of the name of the company, contact person, annual revenue, and
22 the annual status of the 911 plan update. All books, records,
23 and files, whether they relate to competitive or noncompetitive
24 services, and all of its property shall be at all times subject
25 to inspection by the commission and the department. It shall
26 close its accounts and take therefrom a balance sheet on
27 December 31 of each year, and on or before May 1 following, such
28 balance sheet, together with such other information as the
29 department shall require, verified by an officer of the
30 telephone company, shall be filed with the commission and the
31 department.

32 In the event that any telephone company shall fail to file
33 its annual report, as provided by this section, the department
34 is authorized to make such an examination of the books, records,
35 and vouchers of the company as is necessary to procure the
36 necessary data for the annual report and cause the same to be
37 prepared. The expense of procuring this data and preparing this
38 report shall be paid by the telephone company failing to report,

1 and the amount paid shall be credited by the commissioner of
2 finance to funds appropriated for the expense of the department.

3 The department is authorized to force collection of such
4 sum by an action at law in the name of the department.

5 Sec. 2. Minnesota Statutes 2004, section 237.462, is
6 amended by adding a subdivision to read:

7 Subd. 13. [REMEDIAL PAYMENTS.] The commission's authority
8 under this section includes authority to require refunds,
9 payments, or credits intended to provide compensation for
10 financial harm resulting from violations subject to penalty
11 payments under this section. Any remedial payments under this
12 section shall offset penalty payments ordered under subdivision
13 2 for the same violations.

14 Sec. 3. Minnesota Statutes 2004, section 237.462, is
15 amended by adding a subdivision to read:

16 Subd. 14. [WHOLESALE SERVICE QUALITY.] The commission's
17 authority to adopt wholesale service quality standards includes
18 the authority to establish remedy payments to provide
19 compensation and enforce those standards.

20 Sec. 4. [237.85] [DEFINITIONS.]

21 Subdivision 1. [SCOPE.] The definitions in this section
22 apply to sections 237.85 to 237.90.

23 Subd. 2. [BASIC SERVICE.] "Basic service" means one
24 unbundled, single line, unlimited local usage, residential voice
25 telephone service or unbundled single line, unlimited local
26 usage, business voice telephone service. Basic service includes:

27 (1) single party voice-grade service and touch-tone
28 capability;

29 (2) 911 or enhanced 911 access;

30 (3) 1+intraLATA and interLATA presubscription and
31 code-specific equal access to interexchange carriers subscribing
32 to its switched access service;

33 (4) access to directory assistance, directory listings, and
34 operator services;

35 (5) toll and information service-blocking;

36 (6) a white pages and directory assistance listing, or upon

1 customer request, a private listing that allows the customer to
2 have an unlisted or unpublished telephone number;

3 (7) call-tracing capability according to Minnesota Rules,
4 chapter 7813; and

5 (8) telecommunications relay service capability or access
6 necessary to comply with state and federal regulations.

7 Subd. 3. [CLASS OF SERVICES.] "Class of services" includes
8 all services provided to a particular class of customers,
9 including the residential class and the business class.

10 Subd. 4. [COMMISSION.] "Commission" means the Public
11 Utilities Commission.

12 Subd. 5. [COMPETITIVE REGULATION TELEPHONE
13 COMPANY.] "Competitive regulation telephone company" is a
14 telephone company that the commission authorizes to operate
15 under competitive regulation as provided in sections 237.86 to
16 237.90.

17 Subd. 6. [COMPETITIVE SERVICES REGULATION.] "Competitive
18 services regulation" means regulation of services determined to
19 be competitive as provided in sections 237.86 to 237.90.

20 Sec. 5. [237.86] [COMPETITIVE SERVICES REGULATION.]

21 Subdivision 1. [COMPETITION STANDARD.] Competitive
22 regulation as provided in sections 237.86 to 237.90 is permitted
23 for the residential services offered by a telephone company in
24 an exchange where three or more competitors offer comparable
25 retail residential services in the exchange. A residential
26 service is not comparable unless it provides basic service with
27 911 access through the dedicated 911 network. Competitive
28 regulation as provided in sections 237.86 to 237.90 is permitted
29 for the business class of services offered by a telephone
30 company in an exchange where three or more competitors offer
31 comparable service in an exchange through the use of unbundled
32 network elements, resale, voice over Internet protocol,
33 wireless, or a provider's own facilities, including cable. The
34 competitors must not be affiliated with the telephone company
35 seeking to be regulated under sections 237.86 to 237.90.

36 Subd. 2. [PETITION AND APPROVAL PROCESS.] (a) A telephone

1 company may petition the commission to have its retail
2 residential or business services in an exchange regulated as
3 provided in sections 237.86 to 237.90. The petition shall be
4 served upon the residential and small business utilities
5 division of the office of the attorney general, the Department
6 of Commerce, and any other persons who have requested to be on a
7 commissioner service list for petitions filed under this section.

8 (b) A petition shall be approved by the commission within
9 20 days after it is filed if it includes a signed affidavit that
10 identifies three or more competitors to the customer class or
11 classes in the exchange or exchanges covered by the petition.
12 The affidavit must be signed by an employee of the telephone
13 company with knowledge and the authority to make representations
14 on behalf of the company. Within 30 days after filing of the
15 affidavit, any interested person may file objections to the
16 petition setting forth the grounds upon which the person
17 believes the standard set forth in this section for competitive
18 services regulation has not been met. If the commission
19 determines after a hearing that the telephone company has failed
20 to meet the standard for competitive services regulation for a
21 particular class of services in a particular exchange, the
22 commission shall revoke the telephone company's competitive
23 regulation authority under sections 237.86 to 237.90 for those
24 services in the exchange in questions consistent with its
25 findings.

26 Sec. 6. [237.87] [RATES FOR SERVICES SUBJECT TO
27 COMPETITIVE SERVICES REGULATION.]

28 Subdivision 1. [PRICE AND SERVICE OFFERINGS.] A
29 competitive regulation telephone company may offer new local
30 services or change the prices, terms, or conditions of existing
31 local services as provided in this section for each class of
32 services in each exchange in which the commission has approved a
33 petition under section 237.86, subdivision 2.

34 Subd. 2. [BASIC SERVICE RATES.] (a) A competitive
35 regulation telephone company shall not increase its monthly
36 one-party residential and one-party business rates and

1 nonrecurring basic service rates for three years after the
2 commission has approved a petition under section 237.86,
3 subdivision 2. After three years, a basic services regulated
4 company may annually increase its monthly one-party residential
5 and one-party business rates and nonrecurring one-party
6 residential and one-party business installation service rates by
7 a percentage equal to or less than the inflation rate for the
8 prior year as measured by the Gross Domestic Product Price
9 Index, published by the federal government.

10 (b) Extended area service rates shall not be increased by a
11 competitive regulation telephone company without prior
12 commission approval.

13 (c) A competitive regulation telephone company may assess
14 special construction charges approved by the commission if
15 existing facilities are not available to the customer.

16 (d) Notwithstanding paragraph (a), a competitive regulation
17 telephone company may petition the commission and the commission
18 may authorize changes in residential or business local rates
19 associated with exongeous changes, including, but not limited
20 to, changes in the intrastate financial impact of:

21 (1) changes in intercarrier compensation;

22 (2) comprehensive local service rate restructuring;

23 (3) rate deaveraging;

24 (4) changes in universal service or funding payments;

25 (5) changes in local, state, or federal taxes;

26 (6) changes in the commission's application of

27 jurisdictional separation, the Uniform System of Accounts, or
28 other mandatory Financial Accounting Standards Board accounting
29 standards;

30 (7) assessments related to the use of telephone numbers,
31 including mandated number conservation efforts; and

32 (8) financial impacts of government mandates to construct
33 specific telecommunications infrastructure or develop systems.

34 Subd. 3. [OTHER PRICES SUBJECT TO EFFECTIVE
35 COMPETITION.] A competitive regulation telephone company's
36 prices for its intrastate retail services, other than basic

1 services and extended area service rates, are not subject to any
2 rate or price regulation except that the commission may, upon
3 complaint, order a competitive regulation telephone company to
4 change a retail or wholesale price or pricing practice or take
5 other appropriate action if the commission determines, after an
6 investigation, that:

7 (1) the price or pricing practice unreasonably restricts
8 resale in violation of Minnesota Statutes, section 237.121,
9 paragraph (a), clause (5);

10 (2) the price or pricing practice is unreasonably
11 discriminatory in violation of subdivision 6;

12 (3) the price or pricing practice is deceptive, misleading,
13 fraudulent, as those terms are defined in state or federal law,
14 or is otherwise unlawful under state or federal law;

15 (4) the price or pricing practice has caused or will result
16 in substantial customer harm; or

17 (5) the price or pricing practice will impede the
18 development of fair and reasonable competition or reflects the
19 absence of an effectively competitive market.

20 Subd. 4. [TARIFF CHANGES.] A competitive regulation
21 telephone company may offer new services or change the prices,
22 terms, or conditions of existing local service as permitted by
23 this section by filing amendments to its tariffs. These tariff
24 filings take effect as follows:

25 (a) A new service, price decrease, promotion, or
26 insubstantial change in the terms or conditions of a service may
27 take effect immediately upon filing without prior notice to
28 customers.

29 (b) A price increase, a substantial change in a term or
30 condition of a service, or a discontinuation of a service other
31 than basic local service may take effect 20 days after filing
32 and providing written notice to affected customers as provided
33 in clauses (1) and (2):

34 (1) the written notice of a price increase must be given in
35 simple and clear language by bill insert, bill notice, or direct
36 mail. To be simple and clear, the notice must bear the heading

1 "NOTICE OF PRICE INCREASE."

2 (2) the written notice of a substantial change in a term or
3 condition of service or of the discontinuance of a service must
4 be given in simple and clear language by bill insert, bill
5 notice, or direct mail. To be simple and clear, the notice
6 must, at a minimum, bear a heading such as "NOTICE OF CHANGE IN
7 TERMS" or "NOTICE OF DISCONTINUANCE," as appropriate.

8 Subd. 5. [COST INFORMATION.] The commission shall not
9 require a competitive regulation telephone company to file cost
10 information unless the commission determines that cost
11 information is needed to resolve a complaint or investigation
12 alleging that the competitive regulation telephone company is
13 violating a standard set forth in this section.

14 Subd. 6. [DISCRIMINATION.] No competitive regulation
15 telephone company may offer competitive services within the
16 state on terms or rates that are unreasonably discriminatory.
17 At a minimum, a competitive regulation telephone company must
18 provide its competitive services in accordance with paragraphs
19 (a) to (c).

20 (a) A competitive regulation telephone company shall charge
21 uniform rates for local services within its service area.
22 However, a competitive regulation telephone company may, upon a
23 filing under subdivision 4:

24 (1) offer unique pricing to certain customers or to certain
25 geographic locations for promotions as provided in section
26 237.626 or customer incentives of the type offered by other
27 providers and may offer local service as part of a package that
28 may include goods and services other than telecommunications
29 services. Nothing in this section is intended to give the
30 commission or department regulatory authority over
31 nontelecommunications services provided by the competitive
32 regulation telephone company;

33 (2) provide volume or term discounts;

34 (3) offer prices unique to particular customers, or groups
35 of customers, when differences in the cost of providing a
36 service, market conditions, or pricing practices of a competitor

1 justify a different price;

2 (4) pass through any legislatively authorized local taxes,
3 franchise fees, or special surcharges imposed by local or
4 regional governmental units on the services provided by the
5 competitive regulation telephone company in specific geographic
6 areas from which the taxes, fees, or surcharges originate; or
7 (5) furnish service free or at a reduced rate to its
8 officers, agents, or employees in furtherance of their
9 employment.

10 (b) A tariff providing for prices unique to particular
11 customers or groups of customers under paragraph (a), clause
12 (3), shall identify the service for which a unique price is
13 available and the conditions under which the unique price is
14 available.

15 (c) In addition to the exceptions provided in paragraph
16 (a), a competitive regulation telephone company may also charge
17 different rates for competitive local services within its
18 service territory upon a prior finding by the commission that
19 the competitive regulation telephone company has good cause to
20 do so.

21 Subd. 7. [PROTECTION FROM ANTICOMPETITIVE PRICING.] This
22 subdivision applies to prices governed by this section other
23 than one single-line local residential voice service or one
24 single-line local business voice telephone service. A
25 competitive regulation telephone company must not price its
26 local telephone services, whether offered singly or as part of a
27 bundle of services, below the total service long-run incremental
28 cost of providing the service or services.

29 Subd. 8. [RETAIL SERVICES ONLY.] The provisions of this
30 section apply only to retail services.

31 Subd. 9. [WHOLESALE OBLIGATIONS UNDER STATE AND FEDERAL
32 LAW.] Nothing in this section shall alter any wholesale
33 obligation of a competitive regulation telephone company under
34 state or federal law or the ability of the commission to enforce
35 applicable provisions of state or federal law.

36 Subd. 10. [COMPLAINTS.] The commission may investigate on

1 its own motion or upon a complaint an alleged violation of this
2 section. If the commission finds by a preponderance of the
3 evidence after a proceeding that existing rates, tariffs,
4 charges, schedules, or practices violate an applicable provision
5 of this chapter, the commission shall take appropriate action,
6 which may include ordering the competitive regulation telephone
7 company to;

8 (1) change the rate, tariff, charge, schedule, or practice;

9 (2) make the service reasonable, adequate, or obtainable;

10 or

11 (3) take other appropriate action.

12 Sec. 7. [237.88] [RATES NOT SUBJECT TO EFFECTIVE
13 COMPETITION.]

14 A competitive regulation telephone company's rates for
15 services in exchanges which the commission has not permitted to
16 be regulated under sections 237.86 to 237.90 shall be regulated
17 as otherwise provided in this chapter, except that a new
18 alternative form of regulation plan may apply only to those
19 services which have not been determined to be subject to
20 competitive services regulation or have been exempted from rate
21 regulation under section 237.411.

22 Sec. 8. [237.89] [AFOR SERVICE QUALITY; INTERIM
23 PROVISION.]

24 A competitive regulation telephone company shall comply
25 with the service quality standards, penalties, and remedies in
26 an AFOR plan in effect on June 1, 2005, until one year after the
27 commission authorizes competitive regulation for that telephone
28 company or the expiration of the AFOR plan, whichever is
29 earlier. After that time, competitive services are subject to
30 commission service quality rules of general applicability.

31 Sec. 9. [237.90] [APPLICABILITY OF OTHER LAWS;
32 COMMISSION.]

33 A competitive regulation telephone company is not subject
34 to rate-of-return regulation or the earnings investigations
35 provisions of sections 237.075, 237.081, and 237.22 during the
36 term of the election. Except as specifically provided in this

1 section, the commission retains all authority under this chapter
 2 and competitive regulation telephone companies are subject to
 3 the requirements of this chapter and rules of the commission,
 4 including, but not limited to, laws and rules relating to the
 5 provider of last resort obligations and service quality.

6 Sec. 10. Laws 1999, chapter 224, section 7, as amended by
 7 Laws 2004, chapter 261, article 6, section 3, is amended to read:

8 Sec. 7. [SUNSET.]

9 ~~Sections 2 and 4 expire on August 17, 2005, and~~ Minnesota
 10 Statutes 1998, sections 237.63, 237.65, and 237.68, expire on
 11 December 31, 2004.

12 [EFFECTIVE DATE.] This section is effective the day
 13 following final enactment.

14 Sec. 11. [ANTISLAMMING AND OTHER FRAUD.]

15 Nothing in this act undermines or changes the consumer
 16 protection laws found in Minnesota Statutes, sections 237.661;
 17 237.663; and 237.665; or 325F.692.

18 ARTICLE 2

19 PER NUMBER FEE

20 Section 1. Minnesota Statutes 2004, section 237.295,
 21 subdivision 1, is amended to read:

22 Subdivision 1. [PAYMENT-FOR-INVESTIGATION FILING FEE FOR
 23 NEW AUTHORITY.] ~~{a}-Whenever the department or commission, in a~~
 24 ~~proceeding upon its own motion, on complaint, or upon an~~
 25 ~~application to it, considers it necessary, in order to carry out~~
 26 ~~the duties imposed on it, to investigate the books, accounts,~~
 27 ~~practices, and activities of any company, parties to the~~
 28 ~~proceeding shall pay the expenses reasonably attributable to the~~
 29 ~~proceeding. The department and commission shall ascertain the~~
 30 ~~expenses, and the department shall render a bill for those~~
 31 ~~expenses to the parties, at the conclusion of the proceeding.~~
 32 ~~The department is authorized to submit billings to parties at~~
 33 ~~intervals selected by the department during the course of a~~
 34 ~~proceeding.~~

35 ~~{b}-The allocation of costs may be adjusted for cause by~~
 36 ~~the commission during the course of the proceeding, or upon the~~

1 closing-of-the-docket-and-issuance-of-an-order.--In-addition-to
2 the-rights-granted-in-subdivision-3,-parties-to-a-proceeding-may
3 object-to-the-allocation-at-any-time-during-the-proceeding.
4 Withdrawal-by-a-party-to-a-proceeding-does-not-absolve-the-party
5 from-paying-allocated-costs-as-determined-by-the-commission.
6 The-commission-may-decide-that-a-party-should-not-pay-any
7 allocated-costs-of-the-proceeding.

8 (c)-The-bill-constitutes-notice-of-the-assessment-and-a
9 demand-for-payment.--The-amount-of-the-bills-assessed-by-the
10 department-under-this-subdivision-must-be-paid-by-the-parties
11 into-the-state-treasury-within-30-days-from-the-date-of
12 assessment.--The-total-amount,-in-a-calendar-year,-for-which-a
13 telephone-company-may-become-liable,-by-reason-of-costs-incurred
14 by-the-department-and-commission-within-that-calendar-year,-may
15 not-exceed-two-fifths-of-one-percent-of-the-gross-jurisdictional
16 operating-revenue-of-the-telephone-company-in-the-last-preceding
17 calendar-year.--Direct-charges-may-be-assessed-without-regard-to
18 this-limitation-until-the-gross-jurisdictional-operating-revenue
19 of-the-telephone-company-for-the-preceding-calendar-year-has
20 been-reported-for-the-first-time.--Where,-under-this
21 subdivision,-costs-are-incurred-within-a-calendar-year-that-are
22 in-excess-of-two-fifths-of-one-percent-of-the-gross
23 jurisdictional-operating-revenues,-the-excess-costs-are-not
24 chargeable-as-part-of-the-remainder-under-subdivision-2.

25 (d)-Except-as-otherwise-provided-in-paragraph-(e),-for
26 purposes-of-assessing-the-cost-of-a-proceeding-to-a-party,
27 "party"-means-any-entity-or-group-subject-to-the-laws-and-rules
28 of-this-state,-however-organized,-whether-public-or-private,
29 whether-domestic-or-foreign,-whether-for-profit-or-nonprofit,
30 and-whether-natural,-corporate,-or-political,-such-as-a-business
31 or-commercial-enterprise-organized-as-any-type-or-combination-of
32 corporation,-limited-liability-company,-partnership,-limited
33 liability-partnership,-proprietorship,-association,-cooperative,
34 joint-venture,-carrier,-or-utility,-and-any-successor-or
35 assignee-of-any-of-them,-a-social-or-charitable-organization,
36 and-any-type-or-combination-of-political-subdivision,-which

1 ~~includes-the-executive,-judicial,-or-legislative-branch-of-the~~
2 ~~state,-a-local-government-unit,-an-agency-of-the-state-or-a~~
3 ~~local-government-unit,-or-a-combination-of-any-of-them.~~

4 ~~(e)-For-assessment-and-billing-purposes,-"party"-does-not~~
5 ~~include-the-Department-of-Commerce-or-the-Residential-Utilities~~
6 ~~Division-of-the-Office-of-Attorney-General,-any-entity-or-group~~
7 ~~instituted-primarily-for-the-purpose-of-mutual-help-and-not~~
8 ~~conducted-for-profit,-intervenor-awarded-compensation-under~~
9 ~~section-237.075,-subdivision-10,-or-any-individual-or-group-or~~
10 ~~counsel-for-the-individual-or-group-representing-the-interests~~
11 ~~of-end-users-or-classes-of-end-users-of-services-provided-by~~
12 ~~telephone-companies-or-telecommunications-carriers,-as~~
13 ~~determined-by-the-commission~~ An application for a new authority
14 must be accompanied by a payment not to exceed \$2,000 as
15 determined by the Public Utilities Commission. This fee will be
16 reviewed annually and adjusted accordingly.

17 Sec. 2. Minnesota Statutes 2004, section 237.295,
18 subdivision 2, is amended to read:

19 Subd. 2. [ASSESSMENT OF COSTS.] The department and
20 commission shall quarterly, at least 30 days before the start of
21 each quarter, estimate the total of their expenditures in the
22 performance of their duties relating to telephone companies,
23 other than amounts chargeable to telephone companies under
24 subdivision 1, 5, or 6. The remainder must be assessed by the
25 department to the telephone companies operating in this state in
26 proportion to their respective gross jurisdictional operating
27 revenues during the last calendar year. The assessment must be
28 paid into the state treasury within 30 days after the bill has
29 been mailed to the telephone companies. The bill constitutes
30 notice of the assessment and demand of payment. ~~The total~~
31 ~~amount-that-may-be-assessed-to-the-telephone-companies-under~~
32 ~~this-subdivision-may-not-exceed-one-eighth-of-one-percent-of-the~~
33 ~~total-gross-jurisdictional-operating-revenues-during-the~~
34 ~~calendar-year.~~ The assessment for the third quarter of each
35 fiscal year must be adjusted to compensate for the amount by
36 which actual expenditures by the commission and department for

1 the preceding fiscal year were more or less than the estimated
2 expenditures previously assessed. A telephone company with
3 gross jurisdictional operating revenues of less than \$5,000 is
4 exempt from assessments under this subdivision.

5 Sec. 3. [237.491] [COMBINED PER NUMBER FEE.]

6 Subdivision 1. [DEFINITIONS.] (a) The definitions in this
7 subdivision apply to this section.

8 (b) "911 emergency and public safety communications program"
9 means the program governed by chapter 403.

10 (c) "Service provider" means a provider doing business in
11 Minnesota who provides real time, two-way voice service with a
12 Minnesota telephone number. "Minnesota telephone number" means
13 a ten-digit telephone number being used to connect to the public
14 switched telephone network and starting with area code 651, 612,
15 763, 952, 320, 218, or 507, or any subsequent area code assigned
16 to Minnesota.

17 (d) "Telecommunications access Minnesota program" means the
18 program governed by sections 237.50 to 237.55.

19 (e) "Telephone assistance program" means the program
20 governed by sections 237.69 to 237.711.

21 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public
22 Utilities Commission shall establish a fee that applies to each
23 service provider based upon the number of Minnesota telephone
24 numbers in use by current customers of the service provider.
25 The fee must be set at a level calculated to generate only the
26 amount of revenue necessary to fund:

27 (1) the telephone assistance program and the
28 telecommunications access Minnesota program at the levels
29 established by the commission under sections 237.52, subdivision
30 2, and 237.70; and

31 (2) the 911 emergency and public safety communications
32 program at the levels certified by the commissioner of public
33 safety for purposes of sections 403.11, 403.113, 403.27, 403.30,
34 and 403.31 for current fiscal years.

35 (b) Notwithstanding any law to the contrary, the Public
36 Utilities Commission shall, by order, establish the procedures

1 by which each service provider, to the extent allowed under
2 federal law, shall collect and remit the fee proceeds to the
3 Department of Revenue. The commissioner of revenue shall
4 allocate the fee proceeds to the three funding areas in
5 paragraph (a) and shall deposit the allocations into the
6 appropriate accounts.

7 (c) The per access line fee used to collect revenues to
8 support the TAP, TAM, and 911 programs shall remain in effect
9 until replaced by the per telephone number fee.

10 Sec. 4. Minnesota Statutes 2004, section 237.69,
11 subdivision 16, is amended to read:

12 Subd. 16. [TELEPHONE ASSISTANCE PLAN.] "Telephone
13 assistance plan" means the plan to be adopted by the commission
14 and to be jointly administered by the commission, the Department
15 of Human-Services, ~~and the telephone companies,~~ Commerce, and
16 the local service providers, as required by sections 237.69 to
17 237.711.

18 Sec. 5. Minnesota Statutes 2004, section 237.69, is
19 amended by adding a subdivision to read:

20 Subd. 18. [LOCAL SERVICE PROVIDER.] "Local service
21 provider" means:

22 (1) a telephone company or telecommunications carrier
23 providing local service in Minnesota pursuant to a certificate
24 of authority granted by the commission; or

25 (2) a commercial mobile radio service (CMRS) provider,
26 personal communications services (PCS) provider, or other
27 wireless provider offering the functional equivalent of CMRS or
28 PCS in Minnesota, which has been designated by the commission as
29 an eligible telecommunications carrier in Minnesota pursuant to
30 47 United States Code, section 214, and relevant federal
31 regulations.

32 Sec. 6. Minnesota Statutes 2004, section 237.70,
33 subdivision 2, is amended to read:

34 Subd. 2. [SCOPE.] The telephone assistance plan must be
35 statewide and apply to local service providers that provide
36 ~~local-exchange~~ service in Minnesota.

1 Sec. 7. Minnesota Statutes 2004, section 237.70,
2 subdivision 5, is amended to read:

3 Subd. 5. [NATURE AND EXTENT OF CREDITS.] The telephone
4 assistance plan may provide for telephone assistance credits to
5 eligible households up to the amounts available under the
6 federal matching plan. However, the credits available under the
7 telephone assistance plan may not exceed:

8 (1) more than 50 percent of the local exchange rate charged
9 for the local exchange service provided to the household by that
10 household's local service provider; and

11 (2) the level of credits that can actually be funded in
12 accordance with the limitations contained in subdivision 6.

13 Sec. 8. Minnesota Statutes 2004, section 237.701,
14 subdivision 1, is amended to read:

15 Subdivision 1. [FUND CREATED; AUTHORIZED EXPENDITURES.]
16 The telephone assistance fund is created as a separate account
17 in the state treasury to consist of amounts received by the
18 commissioner of public safety representing the surcharge
19 authorized by section 237.70, subdivision 6, and amounts earned
20 on the fund assets. Money in the fund may be used only for:

21 (1) reimbursement to local service providers for expenses
22 and credits allowed in section 237.70, subdivision 7, paragraph
23 (d), clause (5);

24 (2) reimbursement of the reasonable administrative expenses
25 of the commission ~~not-to-exceed-\$25,000-annually~~, a portion of
26 which may be used for periodic promotional activities,
27 including, but not limited to, radio or newspaper
28 advertisements, to inform eligible households of the
29 availability of the telephone assistance program; and

30 (3) reimbursement of the statewide indirect cost of the
31 commission.

32 Sec. 9. [325F.991] [911 EMERGENCY PHONE SERVICE
33 REPRESENTATIONS.]

34 Subdivision 1. [DEFINITIONS.] For purposes of this
35 section, the terms defined in this subdivision have the meanings
36 given them.

1 (a) "911 emergency telecommunications system" means a
2 dedicated emergency telecommunications system required by
3 section 403.025.

4 (b) "Person" means an individual, corporation, firm, or
5 other legal entity.

6 (c) "Service provider" means a person doing business in
7 Minnesota who provides real time, two-way voice service
8 interconnected with the public switched telephone network using
9 numbers allocated for Minnesota by the North American Numbering
10 Plan Administration.

11 Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall
12 not advertise, market, or otherwise represent that the person
13 furnishes a service capable of providing access to emergency
14 services by dialing 911 unless the person provides a service
15 that routes 911 calls through the 911 emergency
16 telecommunications system.

17 Subd. 3. [DISCLOSURE.] A service provider that does not
18 provide 911 dialing that routes 911 calls through the 911
19 emergency telecommunications system must disclose that fact in
20 all advertisements, marketing materials, and contracts. The
21 disclosure must be in capital letters, in 12-point font, and on
22 the front page of the advertisement, marketing materials, and
23 contracts. The disclosure must state: "THIS SERVICE DOES NOT
24 ROUTE 911 CALLS THROUGH THE 911 EMERGENCY SYSTEM."

25 Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of
26 this section, 911 calls routed to the general access number at a
27 public safety answering point do not qualify as being routed
28 through a 911 emergency telecommunications system.

29 Sec. 10. Minnesota Statutes 2004, section 403.06,
30 subdivision 1a, is amended to read:

31 Subd. 1a. [BIENNIAL BUDGET; ANNUAL FINANCIAL REPORT.] The
32 commissioner shall prepare a biennial budget for maintaining the
33 911 system. By December 15 of each year, the commissioner shall
34 submit a report to the legislature detailing the expenditures
35 for maintaining the 911 system, the 911 fees ~~collected~~ deposited
36 by the Department of Revenue, the balance of the 911 fund, and

1 the 911-related administrative expenses of the commissioner.
2 The commissioner is authorized to expend money that has been
3 appropriated to pay for the maintenance, enhancements, and
4 expansion of the 911 system.

5 Sec. 11. Minnesota Statutes 2004, section 403.11,
6 subdivision 1, is amended to read:

7 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]

8 (a) Each customer of a wireless or wire-line telecommunications
9 service provider that furnishes service capable of originating a
10 911 emergency telephone call is assessed a fee under section
11 237.491 to cover the costs of ongoing maintenance and related
12 improvements for trunking and central office switching equipment
13 for 911 emergency telecommunications service, plus
14 administrative and staffing costs of the commissioner related to
15 managing the 911 emergency telecommunications service program.
16 Recurring charges by a wire-line telecommunications service
17 provider for updating the information required by section
18 403.07, subdivision 3, must be paid by the commissioner if the
19 wire-line telecommunications service provider is included in an
20 approved 911 plan and the charges are made pursuant to tariff,
21 price list, or contract. A portion of the fee assessed under
22 this section 237.491 must also be used for the purpose of
23 offsetting the costs, including administrative and staffing
24 costs, incurred by the State Patrol Division of the Department
25 of Public Safety in handling 911 emergency calls made from
26 wireless phones.

27 (b) Money remaining in the 911 emergency telecommunications
28 service account after all other obligations are paid must not
29 cancel and is carried forward to subsequent years and may be
30 appropriated from time to time to the commissioner to provide
31 financial assistance to counties for the improvement of local
32 emergency telecommunications services. The improvements may
33 include providing access to 911 service for telecommunications
34 service subscribers currently without access and upgrading
35 existing 911 service to include automatic number identification,
36 local location identification, automatic location

1 identification, and other improvements specified in revised
2 county 911 plans approved by the commissioner.

3 (c) ~~The fee may not be less than eight cents nor more than~~
4 ~~40 cents a month for each customer access line or other basic~~
5 ~~access service, including trunk equivalents as designated by the~~
6 ~~Public Utilities Commission for access charge purposes and~~
7 ~~including wireless telecommunications services. With the~~
8 ~~approval of the commissioner of finance, the commissioner of~~
9 ~~public safety shall establish the amount of the fee within the~~
10 ~~limits specified and inform the companies and carriers of the~~
11 ~~amount to be collected. When the revenue bonds authorized under~~
12 ~~section 403.27, subdivision 1, have been fully paid or defeased,~~
13 ~~the commissioner shall reduce the fee to reflect that debt~~
14 ~~service on the bonds is no longer needed. The commissioner~~
15 ~~shall provide companies and carriers a minimum of 45 days~~
16 ~~notice of each fee change. The fee must be the same for all~~
17 ~~customers.~~

18 (d) ~~The fee must be collected by each wireless or wire-line~~
19 ~~telecommunications service provider subject to the fee. Fees~~
20 ~~are payable to and must be submitted to the commissioner monthly~~
21 ~~before the 25th of each month following the month of collection,~~
22 ~~except that fees may be submitted quarterly if less than \$250 a~~
23 ~~month is due, or annually if less than \$25 a month is due.~~
24 ~~Receipts must be deposited in the state treasury and credited to~~
25 ~~a 911 emergency telecommunications service account in the~~
26 ~~special revenue fund. The money in the account may only be used~~
27 ~~for 911 telecommunications services.~~

28 (e) This subdivision does not apply to customers of
29 interexchange carriers.

30 (f) (d) The installation and recurring charges for
31 integrating wireless 911 calls into enhanced 911 systems must be
32 paid by the commissioner if the 911 service provider is included
33 in the statewide design plan and the charges are made pursuant
34 to tariff, price list, or contract.

35 Sec. 12. Minnesota Statutes 2004, section 403.113,
36 subdivision 1, is amended to read:

1 Subdivision 1. [~~FEE GRANT.~~] (a) ~~Each-customer-receiving~~
 2 ~~service-from-a-wireless-or-wire-line-telecommunications-service~~
 3 ~~provider-is-assessed-a-fee~~ The commissioner shall budget for and
 4 provide grants to PSAPs to fund implementation, operation,
 5 maintenance, enhancement, and expansion of enhanced 911 service,
 6 including acquisition of necessary equipment and the costs of
 7 the commissioner to administer the program. ~~The-actual-fee~~
 8 ~~assessed-under-section-403.11-and-the-enhanced-911-service-fee~~
 9 ~~must-be-collected-as-one-amount-and-may-not-exceed-the-amount~~
 10 ~~specified-in-section-403.11, subdivision 1, paragraph (c).~~

11 (b) ~~The-enhanced-911-service-fee-must-be-collected-and~~
 12 ~~deposited-in-the-same-manner-as-the-fee-in-section-403.11-and~~
 13 ~~used-solely-for-the-purposes-of-paragraph-(a)-and-subdivision-3.~~

14 (c) The commissioner, in consultation with counties and 911
 15 system users, shall determine the amount of the enhanced 911
 16 service fee grant. The fee grant must include at least ten
 17 cents-per-month the amount funded in fiscal year 2005 to be
 18 distributed under subdivision 2. ~~The-commissioner-shall-inform~~
 19 ~~wireless-and-wire-line-telecommunications-service-providers-that~~
 20 ~~provide-service-capable-of-originating-a-911-emergency-telephone~~
 21 ~~call-of-the-total-amount-of-the-911-service-fees-in-the-same~~
 22 ~~manner-as-provided-in-section-403.11.~~

23 Sec. 13. Minnesota Statutes 2004, section 403.30,
 24 subdivision 1, is amended to read:

25 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]
 26 For each fiscal year beginning with the fiscal year commencing
 27 July 1, 1997, the amount necessary to pay the following costs is
 28 appropriated to the commissioner of public safety from the 911
 29 emergency telecommunications service account established under
 30 section 403.11:

31 (1) debt service costs and reserves for bonds issued
 32 pursuant to section 403.27;

33 (2) repayment of the right-of-way acquisition loans;

34 (3) costs of design, construction, maintenance of, and
 35 improvements to those elements of the first, second, and third
 36 phases that support mutual aid communications and emergency

1 medical services;

2 (4) recurring charges for leased sites and equipment for
3 those elements of the first, second, and third phases that
4 support mutual aid and emergency medical communication services;
5 or

6 (5) aid to local units of government for sites and
7 equipment in support of mutual aid and emergency medical
8 communications services.

9 This appropriation shall be used to pay annual debt service
10 costs and reserves for bonds issued pursuant to section 403.27
11 prior to use of fee money to pay other costs eligible under this
12 subdivision. In no event shall the appropriation for each
13 fiscal year exceed an amount equal to ~~four-cents-a-month-for~~
14 ~~each-customer-access-line-or-other-basic-access-service,~~
15 ~~including-trunk-equivalents-as-designated-by-the-Public~~
16 ~~Utilities-Commission-for-access-charge-purposes-and-including~~
17 ~~cellular-and-other-nonwire-access-services,-in-the-fiscal~~
18 year 4/40 of the amount collected by the fiscal year 2005 911
19 fee. Beginning July 1, ~~2004~~ 2005, this amount will increase
20 to ~~13-cents-a-month~~ 13/40 of the amount collected by the fiscal
21 year 2005 911 fee.

22 Sec. 14. [REPEALER.]

23 (a) Minnesota Statutes 2004, section 237.69, subdivisions 5
24 and 17, are repealed.

25 (b) Laws 1999, chapter 125, section 4, as amended by Laws
26 2002, chapter 398, section 2, is repealed.

27 Sec. 15. [EFFECTIVE DATE.]

28 Sections 1 to 14 are effective the day following final
29 enactment.

30 ARTICLE 3

31 WIRELESS DIRECTORIES

32 Section 1. [325E.317] [DEFINITIONS]

33 Subdivision 1. [SCOPE.] For the purposes of sections
34 325E.317 and 325E.318, the terms defined in this section have
35 the meanings given them.

36 Subd. 2. [PROVIDER.] "Provider" means a provider of

1 wireless telecommunications services.

2 Subd. 3. [TELECOMMUNICATIONS
3 SERVICES.] "Telecommunications services" has the meaning given
4 in section 297A.61, subdivision 24, paragraph (a).

5 Subd. 4. [WIRELESS DIRECTORY ASSISTANCE
6 SERVICE.] "Wireless directory assistance service" means any
7 service for connecting calling parties to a wireless
8 telecommunications services customer when the calling parties
9 themselves do not possess the customer's wireless telephone
10 number information.

11 Subd. 5. [WIRELESS TELECOMMUNICATIONS SERVICES.] "Wireless
12 telecommunications services" has the meaning given in section
13 325F.695.

14 Subd. 6. [WIRELESS TELEPHONE DIRECTORY.] "Wireless
15 telephone directory" means a directory or database containing
16 wireless telephone number information or any other identifying
17 information by which a calling party may reach a wireless
18 telecommunications services customer.

19 Subd. 7. [WIRELESS TELEPHONE NUMBER
20 INFORMATION.] "Wireless telephone number information" means the
21 telephone number, electronic address, and any other identifying
22 information by which a calling party may reach a wireless
23 telecommunications services customer, which is assigned by a
24 provider to the customer and includes the customer's name and
25 address.

26 Sec. 2. [325E.318] [WIRELESS DIRECTORIES.]

27 Subdivision 1. [NOTICE.] No provider of wireless
28 telecommunications service, or any direct or indirect affiliate
29 or agent of a provider, may include the wireless telephone
30 number information of a customer in a wireless telephone
31 directory assistance service database or publish, sell, or
32 otherwise disseminate the contents of a wireless telephone
33 directory assistance service database unless the provider
34 provides a conspicuous notice to the subscriber informing the
35 subscriber that the subscriber will not be listed in a wireless
36 directory assistance service database without the subscriber's

1 prior express authorization.

2 Subd. 2. [AUTHORIZATION.] (a) A provider, or any direct or
3 indirect affiliate or agent of a provider, may not disclose,
4 provide, or sell a customer's wireless telephone number
5 information, or any part thereof, for inclusion in a wireless
6 telephone directory of any form, and may not sell a wireless
7 telephone directory containing a customer's wireless telephone
8 number information without first receiving prior express
9 authorization from the customer. The customer's authorization
10 must meet the following requirements:

11 (1) consent shall be affirmatively obtained separately from
12 the execution of the service contract via verifiable means; and

13 (2) consent shall be unambiguous and conspicuously disclose
14 that the subscriber is consenting to have the customer's dialing
15 number sold or licensed as part of a publicly available
16 directory assistance database.

17 (b) A record of the authorization shall be maintained for
18 the duration of the service contract or any extension of the
19 contract.

20 (c) A subscriber who provides express consent pursuant to
21 paragraph (a) may revoke that consent at any time. A provider
22 must comply with the customer's request to be removed from the
23 directory and remove such listing from directory assistance
24 within 60 days.

25 Subd. 3. [NO FEE TO RETAIN PRIVACY.] A customer shall not
26 be charged for opting not to be listed in a wireless telephone
27 directory.

28 Subd. 4. [REMEDIES.] A person who violates this section is
29 subject to the remedies under section 8.31, except subdivision
30 3a.

31 Sec. 3. [EFFECTIVE DATE.]

32 Sections 1 and 2 are effective the day following final
33 enactment.

34 ARTICLE 4

35 CABLE FRANCHISE

36 Section 1. Minnesota Statutes 2004, section 238.08,

1 subdivision 1, is amended to read:

2 Subdivision 1. [REQUIREMENT; CONDITIONS.] (a) A
3 municipality or its joint commission created pursuant to
4 subdivision 5 shall require a franchise or extension permit of
5 any cable communications system providing service within the
6 municipality.

7 (b) No municipality or its joint commission shall grant an
8 additional franchise for cable service for an area included in
9 an existing franchise on terms and conditions more favorable or
10 less burdensome than those in the existing franchise pertaining
11 to: (1) ~~the area served;~~ (2) public, educational, or
12 governmental access requirements; or (3) (2) franchise fees.
13 ~~The provisions of this paragraph shall not apply when the area~~
14 ~~in which the additional franchise is being sought is not~~
15 ~~actually being served by any existing cable communications~~
16 ~~system holding a franchise for the area. -- Nothing in this~~
17 ~~paragraph prevents a municipality from imposing additional terms~~
18 ~~and conditions on any additional franchises~~ The provisions of
19 this paragraph shall not apply when the area in which the
20 additional franchise is being sought is not actually being
21 served by any existing cable communications system holding a
22 franchise for the area. Nothing in this paragraph prevents a
23 municipality from imposing additional terms and conditions on
24 any additional franchises related to the unserved area. The
25 grant of an additional franchise may include an area for cable
26 service similar to that in an existing franchise or another area
27 that the municipality or its joint commission determines is
28 necessary or desirable to reasonably meet the needs of the
29 municipality or its joint commission. If an additional
30 franchise area is not similar to an existing franchise area, the
31 municipality or joint commission shall ensure that access to
32 cable service is not denied because of the income status of
33 subscribers. Additional franchises must be granted or rejected
34 by a municipality or joint commission within 120 days of an
35 application deemed complete in compliance with section 238.081,
36 subdivision 4, by the municipality or the joint commission

1 unless the date is extended by mutual agreement of the applicant
2 and the municipality or its joint commission.

3 Sec. 2. Minnesota Statutes 2004, section 238.08, is
4 amended by adding a subdivision to read:

5 Subd. 1a. [LOCAL PUBLIC, EDUCATIONAL, AND GOVERNMENTAL
6 ACCESS CHANNELS.] (a) An additional franchisee must ensure that
7 all subscribers receive local public, educational, governmental
8 access and public local origination channels within the
9 additional franchisee's franchise area.

10 (b) An additional franchisee must ensure that all
11 subscribers receive local public, educational, and governmental
12 access channels and public local origination channels as
13 specified in the existing franchise and on the same channel
14 numbers as the existing franchisee. Every cable franchisee
15 shall permit any other franchisee to interconnect all local
16 public, educational, governmental access, and public local
17 origination programming and channel feeds. The municipality or
18 its joint commission shall determine all terms and conditions of
19 such interconnection to permit the interconnection and provision
20 of the public, educational, and governmental services. The
21 municipality or its joint commission may require that such
22 interconnection occur on government property or on public
23 rights-of-way. The costs of connection to the existing
24 franchisee's public, educational, governmental access and public
25 local origination programming and channel feeds must be borne by
26 the additional franchisee.

27 (c) An additional franchise provider shall make financial
28 contributions that are equivalent on a per customer basis or
29 mutually agreed upon terms, proportionate to contributions made
30 to the public, educational, and government access service,
31 facilities, and equipment provided or made available by the
32 existing franchise provider.

33 (d) A municipality or its joint commission may not impose
34 public, educational, and governmental access, local origination,
35 institutional network, or other obligations on the additional
36 franchisee that would exceed those imposed on the existing

1 franchisee.

2 Sec. 3. [EFFECTIVE DATE.]

3 Sections 1 and 2 are effective the day following final
4 enactment.

5 ARTICLE 5

6 TASK FORCE ON TELECOMMUNICATIONS

7 Section 1. [JOINT LEGISLATIVE TASK FORCE ON
8 TELECOMMUNICATIONS.]

9 (a) The joint legislative task force on telecommunications
10 is created. It consists of five members from each body of the
11 Minnesota legislature, two of whom must be from the minority
12 caucus in each body, to be designated by the chairs of the
13 senate and house committees having subject matter responsibility
14 for telecommunications. The cochairs are the respective chairs
15 of the senate and house committees having subject matter
16 responsibility for telecommunications, or their designees.
17 Members must include at least one representative from the
18 following stakeholder groups recommended by the legislative
19 members of the task force and invited to participate by the
20 cochairs:

- 21 (1) Minnesota Telecommunications Alliance;
22 (2) competitive local exchange carriers;
23 (3) large ILECS;
24 (4) small ILECS;
25 (5) long-distance providers;
26 (6) wireless providers;
27 (7) cable services providers;
28 (8) Internet service;
29 (9) VOIP providers;
30 (10) cable services administrator associations;
31 (11) municipal associations;
32 (12) municipal utilities associations;
33 (13) residential consumer associations (two members);
34 (14) business consumer associations (two members);
35 (15) office of the attorney general;
36 (16) Department of Commerce; and

1 (17) Public Utilities Commission (ex officio).

2 (b) The task force must:

3 (1) conduct a full review of existing Minnesota
4 telecommunications regulation and rules in chapters 237 and 238;
5 and

6 (2) make recommendations for revision of Minnesota
7 telecommunications regulation and rules by January 15, 2006, to
8 the Minnesota Senate Jobs, Energy and Community Development
9 Committee and to the Minnesota House Regulated Industries
10 Committee.

11 (c) On request by the cochairs of the task force, the
12 commissioner of commerce shall assess from telephone companies,
13 in addition to assessments made under section 237.295, the
14 amount requested for the operation of the task force but not to
15 exceed \$100,000 in a fiscal year. The amount assessed is
16 appropriated to the Department of Commerce for the purposes of
17 the task force, and is available until expended. The department
18 shall apportion those costs among all telephone companies in
19 proportion to their respective gross operating revenues from the
20 sale of telephone services within the state during the last
21 calendar year. The department shall assess telephone companies
22 and issue bills in accordance with the billing and assessment
23 procedures provided in section 237.295, to the extent that these
24 procedures do not conflict with this section.

25 (d) The Department of Commerce must provide staff and
26 expertise to the task force directly or by contract and may
27 reimburse the expenses of persons requested to assist the task
28 force in its duties other than state employees or employees of
29 telephone companies. The Department of Commerce must provide
30 administrative assistance to the task force.

31 (e) The joint legislative task force on telecommunications
32 shall expire July 1, 2007.

33 ARTICLE 6

34 CANCELLATION OF LONG DISTANCE SERVICE

35 Section 1. Minnesota Statutes 2004, section 237.74, is
36 amended by adding a subdivision to read:

1 within a service area and any telecommunications services under
2 the public utilities commission's jurisdiction under Minnesota
3 Statutes, chapter 237 that do not fall within the definition of
4 local service or the definition of interexchange service.

5 (d) If the city of Alexandria obtains authority to provide
6 local service or interexchange service under chapter 237, it may
7 enter into a joint venture with the entities identified in
8 paragraph (a) for those purposes.

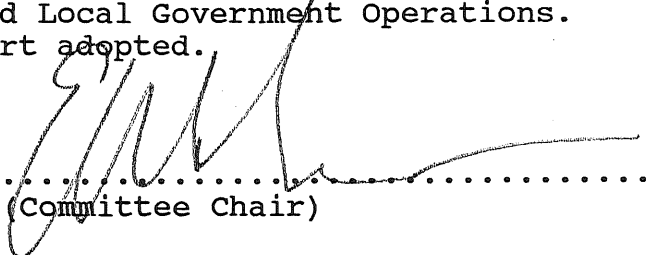
9 [EFFECTIVE DATE; LOCAL APPROVAL.] This section is effective
10 as to the city of Alexandria the day after the city of
11 Alexandria's governing body and its chief clerical officer
12 timely complete compliance with Minnesota Statutes, section
13 645.021, subdivisions 2 and 3."

14 Delete the title and insert:

15 "A bill for an act relating to telecommunications;
16 providing for an alternative form of regulation for certain
17 telephone companies; providing for reduced reporting
18 requirements; clarifying the authority of the public utilities
19 commission to issue remedial orders; establishing a single per
20 number fee for certain telecommunications programs; regulating
21 wireless telephone directories; providing for additional cable
22 franchises; creating a task force on telecommunications;
23 regulating cancellation of long distance service; authorizing
24 the city of Alexandria to enter into certain telecommunication
25 joint ventures; providing penalties; appropriating money;
26 amending Minnesota Statutes 2004, sections 237.11; 237.295,
27 subdivisions 1, 2; 237.462, by adding subdivisions; 237.69,
28 subdivision 16, by adding a subdivision; 237.70, subdivisions 2,
29 5; 237.701, subdivision 1; 237.74, by adding a subdivision;
30 238.08, subdivision 1, by adding a subdivision; 403.06,
31 subdivision 1a; 403.11, subdivision 1; 403.113, subdivision 1;
32 403.30, subdivision 1; Laws 1999, chapter 224, section 7, as
33 amended; Laws 2002, chapter 329, section 5; proposing coding for
34 new law in Minnesota Statutes, chapters 237; 325E; 325F;
35 repealing Minnesota Statutes 2004, section 237.69, subdivisions
36 5, 17; Laws 1999, chapter 125, section 4, as amended."

37 And when so amended the bill do pass and be re-referred to
38 the Committee on State and Local Government Operations.
39 Amendments adopted. Report adopted.

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(Committee Chair)
April 1, 2005.....
(Date of Committee recommendation)