

## HB263 ENROLLED



1 HB263  
2 7DNPE2E-2  
3 By Representatives Oliver, Wood (D)  
4 RFD: Ways and Means General Fund  
5 First Read: 12-Feb-25



## HB263 Enrolled

Enrolled, An Act,

Relating to the 911 Fund; to amend Section 11-98-5.2, Code of Alabama 1975, to further provide for the distribution of monies to local 911 districts; to allocate revenue to administer a state 911 voice and data system and designate uses for remaining funds; and to make nonsubstantive, technical revisions to update the existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-98-5.2, Code of Alabama 1975, is amended to read as follows:

"§11-98-5.2

(a) Effective October 1, 2013, the 911 Fund shall be created as an insured interest-bearing account into which the 911 Board shall deposit all revenues derived from the service charge levied on voice communications service providers under this chapter and all prepaid wireless 911 charges received from the department. The revenues deposited into the 911 Fund shall not be monies or property of the state and shall not be subject to appropriation by the Legislature. The 911 Board shall administer the fund and shall credit the 911 Fund all revenues received. The fund and revenues generated by the fund may only be used as provided in this chapter.

(b) Effective October 1, 2013, there shall first be deducted, no more than ~~one time~~ once during each calendar month, from the total amount of the statewide 911 charges paid over to the 911 Board during ~~such~~ the month, a sum not to



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29 exceed one percent of the total amount, to be applied by the  
30 911 Board exclusively for payment of administrative expenses  
31 ~~theretofore~~ incurred by it and, at the board's discretion, the  
32 awarding of additional operational grants to districts outside  
33 of the other distribution criteria in this subsection upon a  
34 showing of hardship. The balance of the total amount of the  
35 statewide 911 charges paid over to the 911 Board during each  
36 calendar month shall be deposited into the 911 Fund and shall  
37 be apportioned and distributed in accordance with ~~the~~  
38 ~~succeeding provisions~~ of this subsection.

39 (1) There shall be distributed each month among all  
40 ~~then existing~~ districts, from the monies ~~moneys then on~~  
41 deposit in the 911 Fund, an aggregate amount equal to ~~the sum~~  
42 ~~of a. 80 percent of the portion of the statewide 911 charges~~  
43 ~~remitted to the 911 Board with respect to the month by CMRS~~  
44 ~~providers and for prepaid wireless 911 charges, plus b. 100~~  
45 ~~percent of all other statewide 911 charges remitted to the 911~~  
46 Board with respect to the month or an amount sufficient to  
47 satisfy the base distribution amount as defined in  
48 subdivisions (3) and (4), whichever is larger.

49 (2) There shall be paid each month to each ~~then~~  
50 ~~existing~~ district, out of the amount described in subdivision  
51 (1), one-twelfth of the sum of the base distribution amount  
52 defined, as applicable, in subdivisions (3) and (4), plus the  
53 per capita distribution amount defined in subdivision (5).

54 (3) The term "base distribution amount," as used in  
55 this section with respect to any district with a functioning  
56 911 system as of September 30, 2011, and except as otherwise



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provided in this subdivision and subdivision (4), means the highest dollar amount per ~~annum~~year of emergency telephone service charges, excluding any fees received from the CMRS Fund, if any, received by the district during the five prior consecutive fiscal years ending on September 30, 2011; provided, that, if the district first levied any such service charge, or if the district by vote of the commissioners of the district, during the fiscal year ending on September 30, 2011, or seven months thereafter, increased the rate of the charge effective on or before January 1, 2013, then the total dollar amount of the emergency telephone service charges with respect to the fiscal year ending September 30, 2011, shall be ~~deemed~~ ~~to be~~ the amount that would have been collected had the increased rate been in effect for the entire fiscal year ending September 30, 2011. Any vote of the commissioners authorizing an increase in fees under the preceding sentence may be contingent upon the enactment of Act 2012-293. No adjustment shall be made under the preceding sentence to take into account any increase in an emergency service charge adopted by a district after January 1, 2012, if such district shall have otherwise increased its emergency service charge since January 1, 2011. For any district established prior to September 30, 2011, but which initiated 911 service between September 30, 2011, and June 1, 2012, the base distribution amount shall be ~~deemed to be~~ the amount that would have been collected if the 911 charge imposed by the district on August 1, 2012, had been in effect for the entire fiscal year. For any county or municipal district that was funding an E-911



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85 system on September 30, 2011, without a separate 911 fee, the  
86 base distribution amount shall be the product of: That amount  
87 determined by the board to be the county or municipality's  
88 total funding of its E-911 system for purposes of calculation  
89 of the initial statewide rate under ~~subsection (a)~~ of Section  
90 11-98-5(a), multiplied by a fraction, the numerator of which  
91 is the total wireline 911 fees paid to all districts as of  
92 September 30, 2011, and the denominator of which is the total  
93 wireline and wireless 911 fees determined by the board to have  
94 been paid to all districts and the CMRS Board for the same  
95 period. Within 90 days of the effective date of any adjustment  
96 in the statewide 911 charge to increase the baseline 911  
97 revenues under ~~subdivision (2) of subsection (c)~~ of Section  
98 11-98-5(c) (2), the base distribution amount shall be increased  
99 by an amount equal to the product of: a. the total amount  
100 distributed to the district in the immediately preceding  
101 fiscal year, multiplied by b. the rate of growth, determined  
102 as a percentage, in the CPI-U utilized by the 911 Board for  
103 the prior five-year period pursuant to ~~subdivision (2) of~~  
104 ~~subsection (c) of~~ Section 11-98-5(c) (2).

105 (4)a. Any district that has, prior to March 1, 2011,  
106 entered into one or more contracts, including, without  
107 limitation, any lease, lease-purchase, or purchase agreement  
108 or contract, to acquire equipment utilized or to be utilized  
109 as part of a single, comprehensive, countywide radio system to  
110 be operated within the boundaries of the district, ~~may,~~ no  
111 later than December 31, 2012, may provide the 911 Board a copy  
112 of a pro forma financial statement setting forth revenue and



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expense projections demonstrating the ability of the district to pay all principal and interest maturing or coming due with respect to any contracts, and any bonds or other obligations issued or incurred by the district to evidence the borrowing of money by the district in connection with the planning, acquisition, construction, and equipment of the countywide radio system, and other system costs. Such revenue projections shall set forth the district's annualized revenues that would be included in the base distribution amount as calculated in subdivision (3), for the fiscal year of the district ending on September 30, 2011, or any fiscal year thereafter during which the contracts, bonds, or other obligations are expected to be outstanding and unpaid, and the amount received by the district during the fiscal year ending September 30, 2011, from the CMRS Fund. The pro forma statement shall be accompanied by such supporting information as may be reasonably requested by the 911 Board, whose review shall be limited to the accuracy and reasonableness of the revenue and expense projections contained therein solely for the purposes of this subsection and which shall not extend to the approval or disapproval of any projects authorized by the district under existing law.

b. For a district meeting the requirements of this subdivision, the base distribution amount for the district, during any fiscal year or years in which the contracts, bonds, or other obligations outstanding and unpaid, shall be increased by the difference, if any, between the revenue projections shown in the pro forma financial statement and the



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base distribution amount as calculated under subdivision (3), and the district's per capita distribution amount, as defined in subdivision (5), shall be reduced by an amount equal to the difference, with the amount of the reduction added to the amount available for payment to other districts under subdivision (5).

(5) The term "per capita distribution amount," as used in this section with respect to any district, means the district's pro rata share, computed according to the distribution formula, of the amount described in subdivision (1) that remains after payment in full of the aggregate base distribution amounts required to be paid to all districts.

(6) Notwithstanding the preceding provisions of this subsection, there shall never be paid to any district, during any fiscal year, from the ~~the moneys~~ monies deposited into the 911 Fund, an amount less than the sum of the total dollar amount of the initial base distribution amount received by the district as calculated under subdivision (3) plus, without duplication, the amount received by the district from the CMRS Fund during the fiscal year ending September 30, 2011. For any county or municipal district that was funding an E-911 system on September 30, 2011, without a separate 911 fee, there shall never be paid from the ~~the moneys~~ monies deposited into the 911 Fund, during any fiscal year, an amount less than the sum of that amount determined by the board to be the county or municipality's funding of its E-911 system for purposes of calculation of the initial statewide rate under this section.

(7)a. Except as otherwise provided in subdivision (6),



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there shall be set aside and deposited each month, into a separate account, which may, but need not, form a part of the 911 Fund, an amount equal to ~~20 percent of the portion of the~~ remaining balance of the statewide 911 charges remitted to the 911 Board with respect to the month-by CMRS providers. All ~~moneys~~ monies in the separate account shall be used ~~exclusively for~~ the costs related to administering a statewide 911 voice and data system in compliance with the technological requirements established by the FCC order and as provided in Section 11-98-4.1(e) (8); and for the payment of actual and direct costs incurred by CMRS providers in complying with wireless E-911 service requirements established by the FCC Order and complying with any rules or regulations adopted at any time by the FCC pursuant to the FCC Order; and the costs may include, without limitation, costs and expenses incurred in connection with designing, upgrading, purchasing, leasing, programming, installing, testing, or maintaining all necessary data, hardware, and software required in order to provide Phase II Enhanced 911, and the incremental costs of operating Phase II Enhanced 911.

b. After the requirements of paragraph a. are fulfilled, the remaining funds shall be allocated for one or more of the following purposes: (i) to fund the costs of all required training and certification of public safety telecommunicators; (ii) to fund the costs of advisory services provided to the districts; (iii) to fund a grant program for districts demonstrating financial hardship; or (iv) equally among the districts as determined by majority vote of the



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board. The board, by rule, shall establish the maximum balance to be carried over in the separate account at the conclusion of each fiscal year.

(c) Each CMRS provider wishing to participate in the payments provided in subdivision (b)(7) ~~of subsection (b)~~ for expenses related to providing Phase II Enhanced 911 shall certify to the 911 Board that it does not then collect a cost-recovery or other similar separate charge from its customers. CMRS providers failing to provide the certification by October 1 are ineligible to receive any payments until such certificate is provided to the 911 Board. Any CMRS provider electing to collect cost-recovery or other similar separate charges at any time following its October 1 certification shall immediately notify the 911 Board and is ineligible to participate in the payments established in this subsection until ceasing the collection from its customers and providing the notice required herein. This requirement shall only apply to payments for expenses related to providing Phase II Enhanced 911.

(d) Any CMRS provider wishing to receive reimbursement of costs under the guidelines established by subsection (c) shall also comply with Section 11-98-7.

(e) In the event that there are wireless emergency telephone services that cannot be efficiently performed at the district level or there are expenses that cannot be properly allocated at the district level, the 911 Board may determine the smallest practical unit basis for joint implementation and provide reimbursements in accordance with this section."



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225                   Section 2. This act shall become effective on October  
226    1, 2025.



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Speaker of the House of Representatives

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President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and  
was passed by the House 08-Apr-25.

John Treadwell  
Clerk

Senate

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**06-May-25**

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Passed