

**ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019**  
**COMMITTEE STATEMENT**  
**LB550**

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**Hearing Date:** Tuesday February 19, 2019  
**Committee On:** Transportation and Telecommunications  
**Introducer:** Vargas  
**One Liner:** Require voter approval of fees and taxes on wireless services and eliminate the Prepaid Wireless Surcharge Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

<b>Aye:</b>	6	Senators Albrecht, DeBoer, Friesen, Hilgers, Hughes, Cavanaugh
<b>Nay:</b>	1	Senator Geist
<b>Absent:</b>		
<b>Present Not Voting:</b>	1	Senator Bostelman

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**Oral Testimony:**

**Proponents:**

Senator Tony Vargas  
Chris Peterson  
Nicole Fox

**Representing:**

Introducer  
T-Mobile  
Platte Institute

**Opponents:**

Norman Weverka  
Cody McEvoy  
Tim Schram  
Brian Thompson  
John Wyvill  
Sean Kelley  
Larry Dix  
Lash Chaffin  
Jack Cheloha

**Representing:**

self  
NE Commission for the Deaf & Hard of Hearing  
NE Public Service Commission  
NTA, NAG, Consolidated Companies, Inc.  
NE Commission for the Deaf & Hard of Hearing  
Douglas County Bd of Commissioners  
NACO  
League of NE Municipalities  
City of Omaha

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 550 would amend wireless telecommunications provisions by eliminating the Prepaid Wireless Surcharge Act, requiring voter approval in municipalities before it could impose any tax or fee on wireless and prepaid wireless services after the effective date of the act, and reducing or eliminating fees related to the Telecommunications Relay System Act, the wireless E-911 Service Act, and the Nebraska Telecommunications Universal Service Fund.

Section 1 provides the prohibition on municipality taxes or fees for wireless services unless there is voter approval, and specifies the election process of whether to impose the tax or fee. The election could be held at a primary, general, or special election. The provisions specifies deadlines for submission of the question to voters at particular elections. The election would be conducted in accordance with the Election Act. A majority of voters would be needed before a tax or fee could be imposed.

Sections 2 and 3 amend Sections 86-313 and 86-328 relating to collection of fees from wireless subscribers to support the Telecommunications Relay System (TRS). TRS provides assistance and equipment for the deaf and hard of hearing. The changes would prohibit the collection of the TRS surcharge from wireless carriers.

Section 4 amends Section 86-457 relating to the E-911 surcharge, and would reduce the maximum surcharge from 70 cents to 35 cents per month for wireless customers. Prepaid wireless communications services would not pay the surcharge.

Section 5 amends Section 86-1028 to strike a reference to a section that is outright repealed with the elimination of the Prepaid Wireless Surcharge Act.

Section 6 is the repealer.

Section 7 outright repeals Section 86-320.02, which defines "prepaid wireless telecommunications service provider," which is a company whose service is paid for in advance and is sold in predetermined units or dollars of which the number declines with use or time. It also repeals the Prepaid Wireless Surcharge Act, which is contained in Sections 86-901 through 86-905.

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**Explanation of amendments:**

The committee considered and adopted an amendment which accomplishes the following:

The amendment substitutes for the bill and makes the following changes. It strikes provisions of the bill relating to the elimination of the Prepaid Wireless Surcharge Act, and strikes provisions relating to the reduction or elimination of fees related to the Telecommunications Relay System, the wireless E-911 Service Act, and the Nebraska Telecommunications Universal Service Fund.

The remaining portion of the amendment would prohibit municipalities from imposing any tax or fee related to wireless and prepaid wireless services after the effective date of the act unless such tax or fee has been submitted and approved by voters in the municipality at a primary, general, or special election. If approved, the governing body of the municipality could impose a tax or fee.

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Curt Friesen, Chairperson