

AMENDED IN SENATE AUGUST 18, 2022

AMENDED IN SENATE JUNE 16, 2022

AMENDED IN SENATE JUNE 6, 2022

AMENDED IN SENATE JUNE 22, 2021

AMENDED IN ASSEMBLY MAY 24, 2021

AMENDED IN ASSEMBLY MAY 13, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 988

**Introduced by Assembly Members Bauer-Kahan, Berman,
Quirk-Silva, Ting, Gipson, and Ramos**
(Coauthors: Assembly Members Aguiar-Curry, Bloom, Gabriel,
Cristina Garcia, Grayson, *Haney*, Low, McCarty, Mullin,
Luz Rivas, Robert Rivas, Rodriguez, Santiago, Stone, Villapudua,
Wicks, Lackey, Lee, Akilah Weber, and Wood)
(Coauthors: Senators Archuleta, *Caballero*, Eggman, Glazer, Leyva,
Wiener, Nielsen, Ochoa Bogh, and Umberg)

February 18, 2021

An act to add Article 6.3 (commencing with Section 53123.1) to Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, to add Section 1374.724 to the Health and Safety Code, to add Section 10144.57 to the Insurance Code, and to amend Sections 41007.2, 41007.3, 41013, 41020, 41021, 41022, 41023, 41024, 41028, 41030, 41031, 41032, 41046, 41050, 41052, 41053, 41056, 41070, 41080, 41095.5, 41098, 41100, 41101.3, 41105, 41118, 41128, 41135, 41136, 41143.4, and 41150 of, to amend the headings of Article 1 (commencing with Section 41020) and Article 2 (commencing with Section 41030) of Chapter 2 of Part 20 of Division 2 of, and to amend the heading of

Chapter 2 (commencing with Section 41020) of Part 20 of Division 2 of, the Revenue and Taxation Code, relating to emergency services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 988, as amended, Bauer-Kahan. Mental health: 988 ~~crisis hotline~~. *Suicide and Crisis Lifeline*.

(1) Existing law, the Warren-911-Emergency Assistance Act, requires every local public agency, as defined, to have an emergency communication system and requires the digits "911" to be the primary emergency telephone number within the system.

Existing law specifies provisions governing the operation and financing of community mental health services for the mentally disordered in every county through locally administered and locally controlled community mental health programs. Existing law specifies that county mental health services should be organized to provide immediate response to individuals in precrisis and crisis and to members of the individual's support system on a 24-hour, 7-day-per-week basis and authorizes provision of crisis services offsite as mobile services.

Existing federal law, the National Suicide Hotline Designation Act, designates the 3-digit telephone number "988" as the universal number within the United States for the purpose of the national suicide prevention and mental health crisis hotline system operating through the ~~National Suicide Prevention~~ *988 Suicide and Crisis Lifeline* maintained by the Assistant Secretary for Mental Health and Substance Abuse and the Veterans Crisis Line maintained by the Secretary of Veterans Affairs.

This bill would enact the Miles Hall Lifeline and Suicide Prevention Act. The bill would require the Office of Emergency Services to ~~ensure~~, *verify*, no later than July 16, 2022, that ~~designated 988 centers utilize~~ technology that allows for transfers between 988 centers as well as between 988 centers and 911 public safety answering ~~points~~. *points, is available to 988 centers and 911 public safety answering points throughout the state*. The bill would require, no later than 90 days after passage of the act, the office to appoint a 988 ~~crisis hotline~~ system director, among other things. The bill would require, no later than July 1, 2024, the office to ~~ensure~~ *verify* interoperability between and across ~~crisis and emergency response systems used throughout the state~~, as

~~described. 911 and 988. The bill would require the office to consult with specified entities on any technology requirements for 988 centers.~~

~~This bill would require the California Health and Human Services Agency to designate, create, no later than July 16, 2022, a 988 center or centers to provide crisis intervention services and crisis care coordination to individuals accessing 988. The bill would impose additional duties on the agency and 988 centers relating to the implementation of the 988 system. December 31, 2023, a set of recommendations to support a 5-year implementation plan for a comprehensive 988 system. The bill would require that agency to convene a state 988 advisory group, as described, for purposes of advising the agency on the set of recommendations. The bill would require the agency to report annually, on or before December 31, beginning December 31, 2024, and until December 31, 2029, to the Legislature on the status of 988 implementation in the state, as described.~~

The Administrative Procedure Act generally governs the procedure for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law.

The bill would provide that regulations and other similar instruments made pursuant to these provisions by the Office of Emergency Services and the California Health and Human Services Agency are not subject to the rulemaking provisions of the Administrative Procedure Act.

(2) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or disability insurance policy issued, amended, or renewed on or after January 1, 2021, to provide coverage for medically necessary treatment of mental health and substance use disorders, as defined, under the same terms and conditions applied to other medical conditions.

This bill would require health care service plans and insurers to cover medically necessary treatment of a mental health or substance use disorder, including behavioral health crisis services, provided by a 988 center or mobile crisis team, regardless of whether the service is provided by an in-network or out-of-network provider, at the in-network

cost-sharing amount, as defined. By creating a new crime under the Knox-Keene Act, this bill would impose a state-mandated local program.

(2)

(3) Existing law, the Emergency Telephone Users Surcharges Act, generally imposes a surcharge on each access line for each month or part thereof for which a service user subscribes with a service supplier, at an amount no greater than \$0.80, based on the Office of Emergency Services' estimate of the number of access lines to which the surcharge will be applied per month for a calendar year period that it estimates, pursuant to a specified formula, will produce sufficient revenue to fund the current fiscal year's 911 costs.

Existing law imposes a surcharge on the purchase of prepaid mobile telephony services at the time of each retail transaction in this state, at the rate equal to the monthly surcharge amount per access line, to be paid by prepaid consumers and collected by sellers, as defined. Existing law exempts certain lines from the surcharge, including lines supplying lifeline service. Existing law requires the surcharge to be remitted to, and administered by, the California Department of Tax and Fee Administration, in accordance with specified provisions. Existing law makes certain violations of the Emergency Telephone Users Surcharge Act a crime.

Existing law requires amounts to be paid to the state pursuant to the Emergency Telephone Users Surcharge Act to be deposited into the State Emergency Telephone Number Account and that the amounts deposited, upon appropriation by the Legislature, be spent solely for specified purposes, including payment for the installation of, and ongoing expenses for, a basic system.

This bill would create a separate surcharge, beginning January 1, 2023, on each access line for each month or part thereof for which a service user subscribes with a service supplier. The bill would set the 988 surcharge for the 2023 and 2024 calendar years at \$0.08 per access line per month and, for years beginning January 1, 2025, at an amount based on a specified formula, but no greater than \$0.30 per access line per month. This bill would make applicable relevant provisions of the Emergency Telephone Users Surcharge Act to the 988 surcharge, as provided, including existing surcharge exemptions. The bill would authorize the 911 and 988 surcharges to be combined into a single-line item, as described. The bill would provide for specified costs to be paid by the fees prior to distribution to the Office of Emergency Services. The bill would make conforming changes in regard to the 988 surcharge.

This bill would create the 988 State ~~Mental Health and Suicide and Behavioral Health~~ Crisis Services ~~Special~~ Fund and would require the fees to be deposited along with other specified moneys into the fund. The bill would provide that the funds be used, upon appropriation by the Legislature, for specified ~~purposes~~, *purposes and* in accordance with ~~federal law and as prioritized, including funding 988 crisis hotline centers and the operation of mobile crisis teams.~~ *specified priorities*. The bill would require the Office of Emergency Services to require an entity seeking moneys available through the fund to annually file an expenditure and outcomes report containing specified information.

~~(3)~~

(4) This bill would appropriate ~~\$8,035,700~~ \$300,000 from the General Fund to the 988 State ~~Mental Health and Suicide and Behavioral Health~~ Crisis Services ~~Special~~ Fund for ~~purposes of covering the state’s first year of administrative costs in implementing the Miles Hall Lifeline and Suicide Prevention Act and of funding designated 988 centers to support the first year of their implementation of the 988 system.~~ *expenditure by the California Department of Tax and Fee Administration in the 2022–23 fiscal year for purposes of implementing the amendments to the Emergency Telephone Users Surcharge Act.*

(5) *This bill would incorporate additional changes to Section 41100 of the Revenue and Taxation Code proposed by SB 1496 to be operative only if this bill and SB 1496 are enacted and this bill is enacted last.*

~~(4)~~

(6) By expanding the scope of crimes imposed by the Emergency Telephone Users Surcharge Act, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~(5)~~

(7) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. (a) It is the intent of the Legislature to implement
 2 the National Suicide Hotline Designation Act of 2020, in
 3 compliance with the Federal Communication Commission’s rules
 4 designating “988” as a three-digit number for the National Suicide
 5 Prevention ~~Hotline~~ *Hotline, now known as the 988 Suicide and*
 6 *Crisis Lifeline*, to assure all persons residing in and visiting the
 7 State of California have access to the “988” suicide prevention
 8 and *other* behavioral health crisis hotline and care 24 hours per
 9 day, seven days per week.

10 (b) It is the intent of the Legislature that the 988 system in
 11 California operate as an emergency suicidal, mental health, and
 12 substance use disorder crisis system that provides compassionate,
 13 appropriate, and easily accessible care to *save lives and* reduce
 14 ~~unnecessary hospitalizations and arrests. law enforcement~~
 15 *engagement, arrests, hospitalizations, and deaths.*

16 (c) It is the intent of the Legislature that:

17 (1) By July 16, 2022, the ~~congressionally~~ *federally* established
 18 go-live date for the 988 number ~~nationwide, 988 centers will be~~
 19 ~~designated by the California Health and Human Services Agency~~
 20 ~~and will be~~ prepared to receive and respond to the anticipated
 21 ~~125-percent rise in call volume in the first year of operation of~~
 22 ~~988. To ensure the success of this transition, the Office of~~
 23 ~~Emergency Services and the California Health and Human Services~~
 24 ~~Agency will provide call centers with necessary technology,~~
 25 ~~financing, and guidelines by July 16, 2022.~~

26 (2) By ~~December 31, 2023, June 30, 2024,~~ the California Health
 27 and Human Services Agency and the Office of Emergency Services
 28 will develop a plan for the statewide coordination of 988, 911, and
 29 ~~county behavioral health crisis services, including mobile crisis~~
 30 ~~teams. services.~~ The plan will be based on a five-year
 31 implementation plan that includes a landscape analysis of existing
 32 services and describes how to expand, improve, and link services
 33 ~~to fully implement this act by January 1, 2029. with the goal of~~
 34 *fully implementing the 988 system by January 1, 2030.*

35 SEC. 2. Article 6.3 (commencing with Section 53123.1) is
 36 added to Chapter 1 of Part 1 of Division 2 of Title 5 of the
 37 Government Code, to read:

1 Article 6.3. Miles Hall Lifeline and Suicide Prevention Act

2
3 53123.1. This article shall be known, and may be cited, as the
4 “Miles Hall Lifeline and Suicide Prevention Act.”

5 53123.1.5. For purposes of this article, the following definitions
6 shall apply:

7 (a) “988” means the three-digit telephone number designated
8 by the Federal Communications Commission for the purpose of
9 connecting individuals experiencing a ~~mental~~ *behavioral* health
10 crisis with *counselors trained in suicide prevention and mental*
11 *behavioral* health crisis ~~counselors, mobile crisis teams, and crisis~~
12 ~~receiving and stabilization services and other behavioral health~~
13 ~~crisis services and with the capacity to connect callers to~~
14 ~~behavioral health crisis services~~ through the National Suicide
15 Prevention Lifeline network.

16 (b) “988 center” means a center operating on a county or
17 regional basis *in California* and participating in the National
18 Suicide Prevention Lifeline network to respond to statewide or
19 regional 988 calls.

20 (c) “Agency” means the California Health and Human Services
21 Agency.

22 (d) “Behavioral health crisis services” means the continuum of
23 services to address crisis intervention, crisis stabilization, and crisis
24 residential treatment needs of those with a mental health or
25 substance use *disorder* crisis that are wellness, resiliency, and
26 recovery oriented. These include, but are not limited to, crisis
27 intervention, including counseling provided by 988 centers, mobile
28 crisis teams, and crisis receiving and stabilization services.

29 ~~(e) “Crisis receiving and stabilization services” means facilities~~
30 ~~with capacity for diagnosis, initial management, observation, crisis~~
31 ~~stabilization, and followup referral services. They include crisis~~
32 ~~stabilization units, sobering centers, crisis residential treatment,~~
33 ~~peer respite services, and services related to involuntary~~
34 ~~commitments under the Lanterman-Petris-Short Act (Part 1~~
35 ~~(commencing with Section 5000) of Division 5 of the Welfare and~~
36 ~~Institutions Code).~~

37 (f) “Mobile crisis team” means a jurisdiction-based behavioral
38 health team, as defined in the American Reseue Plan Act of 2021
39 (Section 1947(b)(2) of Public Law 117-2). Mobile crisis teams
40 provide onsite interventions, including deescalation, stabilization,

1 and referrals to behavioral health and other social services to
 2 individuals who are experiencing a behavioral health crisis.

3 ~~(g)~~

4 (e) “National Suicide Prevention Lifeline” or “988 Suicide and
 5 Crisis Lifeline” means the national network of local crisis hotline
 6 centers that provide free and confidential ~~emergency~~ support to
 7 people in suicidal crisis or ~~emotional distress~~ *other behavioral*
 8 *health crisis* 24 hours per day, seven days per week via a toll-free
 9 telephone hotline number that receives calls made through the 988
 10 system. The toll-free telephone number is maintained by the
 11 Assistant Secretary for Mental Health and Substance Use under
 12 Section 520E-3 of the Public Health Service Act, Section
 13 290bb-36c of Title 42 of the United States Code.

14 ~~(h)~~

15 (f) “Office” means the Office of Emergency Services.

16 ~~(i)~~

17 (g) “Substance Abuse and Mental Health Services
 18 Administration” means that agency of the United States Department
 19 of Health and Human Services.

20 53123.2. (a) No later than July 16, 2022, the Office of
 21 Emergency Services shall ~~ensure~~ *verify* that ~~designated 988 centers~~
 22 ~~utilize~~ technology that allows for transfers between 988 centers,
 23 as well as between 988 centers and 911 public safety answering
 24 ~~points~~. *points, is available to 988 centers and 911 public safety*
 25 *answering points throughout California.*

26 (b) No later than 90 days after the passage of this act, the office
 27 shall do both of the following:

28 (1) Appoint a ~~988-crisis-hotline~~ system director to implement
 29 and oversee the ~~administration coordinating the emergency mental~~
 30 ~~health crisis response with emergency crisis lines~~. *policy and*
 31 *regulatory framework for the technology infrastructure,*
 32 *coordination, and transfer of calls between 988, 911, and*
 33 *behavioral health crisis services.*

34 (2) (A) Establish and convene the State 988 Technical Advisory
 35 Board for purposes of advising the office on ~~both~~ of the following:

36 (i) *Recommendations on the feasibility and plan for sustainable*
 37 *interoperability between 988, 911, and behavioral health crisis*
 38 *services, including the identification of any legal or regulatory*
 39 *barriers to the transfer of 911 calls.*

40 ~~(i)~~

1 (ii) The development of technical and operational standards for
2 the 988 system that allow for ~~coexistence~~ *coordination* with
3 California’s 911 system.

4 (ii)

5 (iii) The creation of standards *and protocols* for ~~988 operators~~
6 ~~to process and dispatch the necessary mental health response and~~
7 ~~when to 988 centers will transfer 988 calls into the “911” public~~
8 ~~safety answering points or points (PSAP), and vice versa.~~

9 (B) The board shall meet no less than quarterly until December
10 31, 2028. Following that date, the board may be disbanded at the
11 discretion of the office.

12 (C) *The board shall consist of a representative from the*
13 *California Health and Human Services Agency and expert*
14 *representatives, including, but not limited to, those from 988*
15 *centers, 911, and behavioral health crisis service providers.*

16 (c) No later than July 1, 2024, the office shall ~~ensure verify~~
17 ~~interoperability between and across crisis and emergency response~~
18 ~~systems used throughout the state, including 911, emergency~~
19 ~~services, behavioral health crisis services, and other nonbehavioral~~
20 ~~health crisis services. 911 and 988.~~ This shall include ~~ensuring~~
21 ~~verifying~~ interoperability of telephone calls, texts, chats, and other
22 similar capabilities consistent with the implementation of Next
23 Generation 911.

24 (d) The office shall consult with the National Suicide Prevention
25 Lifeline and the Substance Abuse and Mental Health Services
26 Administration on any technology requirements for 988 centers.

27 53123.3. (a) (1) ~~No later than July 16, 2022, December 31,~~
28 ~~2023, the California Health and Human Services Agency shall~~
29 ~~designate a 988 center or centers to provide crisis intervention~~
30 ~~services and crisis care coordination to individuals accessing 988.~~
31 ~~Each designated 988 center shall do all of the following: create a~~
32 ~~set of recommendations to support a five-year implementation plan~~
33 ~~for a comprehensive 988 system.~~

34 (2) *The California Health and Human Services Agency shall*
35 *convene a state 988 advisory group for purposes of advising the*
36 *California Health and Human Services Agency on the set of*
37 *recommendations to support the five-year implementation plan.*
38 *The recommendations shall specify what can be accomplished*
39 *pursuant to existing administrative authority and what will require*
40 *additional regulations or legislation for implementation.*

1 (3) *The advisory group shall include, but is not limited to, the*
 2 *State Department of Health Care Services, the Office of Emergency*
 3 *Services, the State Department of Public Health, representatives*
 4 *of counties, representatives of employees working for county*
 5 *behavioral health agencies and agencies who subcontract with*
 6 *county behavioral health agencies who provide these services,*
 7 *health plans, emergency medical services, law enforcement,*
 8 *consumers, families, peers, and other local and statewide public*
 9 *agencies.*

10 (4) *The advisory group shall meet at least once per quarter until*
 11 *December 31, 2023.*

12 (5) *The advisory group may be disbanded at the discretion of*
 13 *the California Health and Human Services Agency, but shall not*
 14 *be disbanded before January 1, 2024.*

15 (b) *The California Health and Human Services Agency and the*
 16 *advisory group shall make recommendations on all of the*
 17 *following:*

18 (1) ~~Meet federal~~ *Federal Substance Abuse and Mental Health*
 19 *Services Administration requirements and national best practices*
 20 *guidelines for operational and clinical standards, including training*
 21 *requirements and policies for transferring callers to an appropriate*
 22 *specialized center, or subnetworks, within or external to, the*
 23 *National Suicide Prevention Lifeline network.*

24 (2) ~~Maintain~~ *Maintenance of an active agreement with the*
 25 *administrator of the National Suicide Prevention Lifeline for*
 26 *participation within the network.*

27 (3) ~~Comply~~ *Compliance with state technology requirements or*
 28 *guidelines for the operation of 988.*

29 (b) ~~No later than 90 days after the passage of this act, the agency~~
 30 ~~shall do both of the following:~~

31 (1) ~~Appoint a 988 crisis services director to provide direction~~
 32 ~~and oversight of the implementation and administration of~~
 33 ~~behavioral health crisis services accessed through 988.~~

34 (2) ~~Appoint and convene a state 988 policy advisory group for~~
 35 ~~purposes of advising the agency on the implementation and~~
 36 ~~administration of mental health crisis services accessible through~~
 37 ~~988, including advising on the agency on the creation of the~~
 38 ~~five-year implementation plan described in subdivision (d).~~

39 (e) ~~The advisory group described in paragraph (2) of subdivision~~
 40 ~~(b) shall meet no less than quarterly until December 31, 2028.~~

1 ~~Following that date, the advisory group may be disbanded at the~~
2 ~~discretion of the agency.~~
3 ~~(d) (1) No later than December 31, 2023, the agency shall create~~
4 ~~a five-year implementation plan for a comprehensive 988 system~~
5 ~~that includes the following components:~~
6 ~~(A) Access to crisis counselors through telephone call, text, and~~
7 ~~chat, 24 hours per day, seven days per week.~~
8 ~~(B) Mobile crisis teams that operate statewide 24 hours per day,~~
9 ~~seven days per week, and can respond to individuals in crisis in a~~
10 ~~timely manner. Mobile crisis teams shall be able to respond to~~
11 ~~clearly articulated suicidal or behavioral health contracts made or~~
12 ~~routed to 988 as an alternative to law enforcement unless there is~~
13 ~~a medical emergency, someone is in immediate danger, or there~~
14 ~~is a reported crime where law enforcement is mandated to respond~~
15 ~~by state or federal law.~~
16 ~~(C) Access to crisis receiving and stabilization services.~~
17 ~~(2) The five-year implementation plan shall include all of the~~
18 ~~following:~~
19 ~~(A) A state governance structure of the 988 system.~~
20 ~~(B) Standards of care for call centers, mobile crisis teams, and~~
21 ~~behavioral health crisis services, including examples of models~~
22 ~~across the state that are in accordance with the National Suicide~~
23 ~~Hotline Designation Act of 2020, Substance Abuse and Mental~~
24 ~~Health Services Administration National Guidelines for Behavioral~~
25 ~~Health Crisis Care, and existing parity laws.~~
26 ~~(C) Metrics for evaluating the 988 system.~~
27 ~~(D) A framework for local implementation of statewide 988~~
28 ~~policies, regulations, and guidelines for the coordination of the~~
29 ~~988 crisis response system across 988 call centers, 911, county~~
30 ~~behavioral health, public health, first responders, law enforcement~~
31 ~~agencies, and other relevant entities. The framework shall stipulate~~
32 ~~that any local plans developed must be approved by the state~~
33 ~~governing authority and include guidelines on establishing regional~~
34 ~~agreements and contracts that appropriately link call centers,~~
35 ~~mobile crisis teams, crisis receiving and stabilization centers, and~~
36 ~~other relevant county services such as additional call lines and~~
37 ~~services.~~
38 ~~(4) A state governance structure to support the implementation~~
39 ~~and administration of behavioral health crisis services accessed~~
40 ~~through 988.~~

- 1 (5) 988 infrastructure, staffing, and training standards that will
2 support statewide access to crisis counselors through telephone
3 call, text, and chat, 24 hours per day, seven days per week.
- 4 (6) Access to crisis receiving and stabilization services and
5 triage and response to warm handoffs from 911 and 988 call
6 centers.
- 7 (7) Resources and policy changes to address statewide and
8 regional needs in order to meet population needs for behavioral
9 health crisis services.
- 10 (8) Statewide and regional public communications strategies
11 informed by the National Suicide Prevention Lifeline and the
12 Substance Abuse and Mental Health Services Administration to
13 support public awareness and consistent messaging regarding
14 988 and behavioral health crisis services.
- 15 (9) Recommendations to achieve statewide provision of mobile
16 crisis team services that meet all of the following criteria:
- 17 (A) Are offered 24 hours per day, seven days per week.
- 18 (B) Can respond to individuals in crisis in a timely manner.
- 19 (C) Are able to respond to clearly articulated suicidal or
20 behavioral health contacts made or routed to 988 as an alternative
21 law enforcement, except in as needed high-risk situations that
22 cannot be managed without law enforcement.
- 23 (10) Quantifiable goals for the provision of statewide and
24 regional behavioral health crisis services, which consider factors
25 such as reported rates of suicide attempts and deaths.
- 26 (11) A process for establishing outcome measures, benchmarks,
27 and improvement targets for 988 centers and the behavioral health
28 crisis services system.
- 29 (12) Findings from a comprehensive assessment of the
30 behavioral health crisis services system that takes into account
31 infrastructure projects that are planned and funded. These findings
32 shall include an inventory of the infrastructure, capacity, and needs
33 for all of the following:
- 34 (A) Statewide and regional 988 centers.
- 35 (B) Mobile crisis team services, including mobile crisis access
36 and dispatch call centers.
- 37 (C) Other existing behavioral health crisis services and warm
38 lines.
- 39 (D) Crisis receiving and stabilization services.
- 40 ~~(E)~~

1 (13) Procedures for determining the annual operating budget
2 for the purposes of establishing the rate of the 988 surcharge and
3 how revenue will be dispersed to fund the 988 system consistent
4 with ~~Section 53123.4. 53123.4 and Section 251a of Title 47 of the~~
5 *United States Code.*

6 ~~(F)~~

7 ~~(14) Strategies for ensuring that to support the 988 behavioral~~
8 ~~health crisis-response service system is adequately funded,~~
9 including mechanisms for reimbursement of behavioral health
10 emergency or crisis response pursuant to Sections 1374.72 and
11 1374.721 of the Health and Safety Code, including, but not limited
12 to:

13 ~~(i) Seeking~~

14 ~~(A) To the extent that any necessary federal approvals are~~
15 ~~obtained and federal financial participation is available and is~~
16 ~~not otherwise jeopardized, seeking to maximize all available federal~~
17 ~~funding sources for the purposes of behavioral health crisis~~
18 ~~services and administrative activities related to 988~~
19 ~~implementation, including federal Medicaid reimbursement for~~
20 ~~services; federal Medicaid reimbursement for administrative~~
21 ~~expenses, including the development and maintenance of~~
22 ~~information-technology to support the 988 system and crisis~~
23 ~~services; technology; and federal grants, including the funding of~~
24 ~~mental health crisis services. grants.~~

25 ~~(ii)~~

26 ~~(B) Coordinating with the Department of Insurance and~~
27 ~~Department of Managed Health Care to ensure efficient and timely~~
28 ~~verify reimbursement to counties 988 centers for medically~~
29 ~~necessary behavioral health crisis intervention, mobile crisis, crisis~~
30 ~~receiving and stabilization, and crisis residential services by health~~
31 ~~care service plans and disability insurers, pursuant to Section~~
32 ~~1374.72 of the Health and Safety Code and Section 10144.5 of the~~
33 ~~Insurance Code and consistent with the requirements of the federal~~
34 ~~Mental Health Parity and Addiction Equity Act of 2008 (29 U.S.C.~~
35 ~~Sec. 1185a).~~

36 ~~(c) Commencing December 31, 2024, and until December 31,~~
37 ~~2029, the California Health and Human Services Agency shall~~
38 ~~report annually, on or before December 31 and in compliance~~
39 ~~with Section 9795, to the Legislature on the status of 988~~
40 ~~implementation in California, including any actions taken in that~~

1 *calendar year, planned actions for the future calendar year,*
 2 *barriers to implementation, need for additional funding, and any*
 3 *legislative action required to support implementation.*

4 53123.4. (a) ~~The 988 State Mental Health and Crisis Suicide~~
 5 ~~and Behavioral Health Crisis Services Special Fund~~ is hereby
 6 established in the State Treasury.

7 ~~(b) The fund shall consist of all of the following:~~

8 ~~(1) Revenue~~

9 ~~(b) (1) The fund shall consist of the revenue generated by the~~
 10 ~~988 surcharge assessed on users under Section 41020 of the~~
 11 ~~Revenue and Taxation Code, which revenue shall be used solely~~
 12 ~~for the operations of the 988 center and mobile crisis teams. teams,~~
 13 ~~as defined in the American Rescue Plan Act of 2021 (Section~~
 14 ~~1947(b)(2) of Public Law 117-2). The fund shall also consist of~~
 15 ~~any other appropriations made to it by the Legislature.~~

16 ~~(2) Appropriations made by the Legislature.~~

17 ~~(3) Grants and gifts intended for deposit in the fund.~~

18 ~~(4) Interest, premiums, gains, or other earnings on the fund.~~

19 ~~(5) Money from any other source that is deposited in or~~
 20 ~~transferred to the fund.~~

21 ~~(e) Notwithstanding Section 11754 of the Health and Safety~~
 22 ~~Code, federal funds payable directly to the state by the Substance~~
 23 ~~Abuse and Mental Health Services Administration to implement~~
 24 ~~988 may be made directly to the fund.~~

25 ~~(d) Money in the fund is subject to all of the following:~~

26 ~~(1) Money shall not revert at the end of any fiscal year and shall~~
 27 ~~remain available for the purposes of the fund in subsequent state~~
 28 ~~fiscal years.~~

29 ~~(2) The revenue generated by the 988 surcharge shall be~~
 30 ~~prioritized to fund the following:~~

31 ~~(A) First, the 988 centers, including the efficient and effective~~
 32 ~~routing of telephone calls, personnel, and the provision of acute~~
 33 ~~mental health services through telephone call, text, and chat to~~
 34 ~~the 988 number.~~

35 ~~(B) Second, the operation of mobile crisis teams accessed via~~
 36 ~~telephone calls, texts, or chats made to or routed through 988, as~~
 37 ~~specified under Section 4(a)(2)(B) of Public Law 116-172.~~

38 ~~(2)~~

1 (3) Money in the fund shall not be subject to transfer to any
2 other fund or to transfer, assignment, or reassignment for any other
3 use or purpose outside of those specified in this article.

4 ~~(3) Money~~

5 (4) 988 surcharge revenue in the fund shall be available, upon
6 appropriation by the Legislature, for the purposes specified in this
7 article.

8 ~~(e) (1) All revenue generated by the 988 surcharge assessed on~~
9 ~~users under Section 41020 of the Revenue and Taxation Code shall~~
10 ~~only be expended the operations of the 988 center and mobile crisis~~
11 ~~teams.~~

12 ~~(2) The revenue generated by the 988 surcharge shall be~~
13 ~~prioritized to fund:~~

14 ~~(A) First, the 988 centers, including the efficient and effective~~
15 ~~routing of telephone calls, personnel, and the provision of acute~~
16 ~~mental health services through telephone call, text, and chat to the~~
17 ~~988 number.~~

18 ~~(B) Second, the operation of mobile crisis teams.~~

19 ~~(3)~~

20 (5) The revenue generated by the 988 surcharge shall be used
21 to supplement and not supplant federal, state, and local funding
22 for 988 centers and mobile crisis services and crisis receiving and
23 stabilization services as calculated in the 2019-20 fiscal year.
24 services.

25 ~~(4)~~

26 (6) The revenue generated by the 988 surcharge may only be
27 used to fund service and operation expenses that are not
28 reimbursable through federal Medicaid match, federal financial
29 participation, Medicare, health care service plans, or disability
30 insurers.

31 ~~(f)~~

32 ~~(c) The Office of Emergency Services Services, in consultation~~
33 ~~with the State Department of Health Care Services, may adopt~~
34 ~~regulations regarding the process for counties to receive funds.~~
35 ~~how funds received shall be disseminated to support the operations~~
36 ~~of the 988 system and related behavioral health crisis services.~~

37 ~~(g)~~

38 (d) The office shall require an entity seeking funds available
39 through the 988 State Mental Health and Suicide and Behavioral
40 Health Crisis Services Special Fund to annually file an expenditure

1 and outcomes report with information including, but not limited
 2 to, the following, as applicable to each modality, including call
 3 center, mobile crisis services, and crisis receiving and stabilization
 4 services: *in a form and manner as determined by the office and*
 5 *the State Department of Health Care Services. The expenditure*
 6 *and outcomes report shall include, but is not limited to, the*
 7 *following:*

- 8 (1) ~~The total budget, by fund source.~~ *budget.*
- 9 (2) ~~Number and job classification of personnel allocated to each~~
 10 ~~modality.~~ *personnel.*
- 11 (3) ~~The number of individuals served.~~
- 12 (4) ~~The outcomes for individuals served.~~ *served, if known.*
- 13 (5) ~~The health coverage status of individuals served, if known.~~
- 14 (6) ~~The amount billed to and reimbursed by Medi-Cal or other~~
 15 ~~public and private health care service plans or insurers.~~
- 16 (7) ~~Measures of system performance, including capacity, wait~~
 17 ~~time, and the ability to meet demand for services.~~

18 ~~(h)~~
 19 (e) ~~The State Treasurer shall report annually to the office on~~
 20 ~~fund deposits and expenditures.~~

21 *53123.5. The office and the State Department of Health Care*
 22 *Services may implement, interpret, or make specific this article,*
 23 *in whole or in part, by means of all-county letters, plan letters,*
 24 *provider bulletins, information notices, regulations, or other*
 25 *similar instructions, without complying with Chapter 3.5*
 26 *(commencing with Section 11340) of Part 1 of Division 3 of Title*
 27 *2.*

28 *SEC. 3. Section 1374.724 is added to the Health and Safety*
 29 *Code, to read:*

30 *1374.724. (a) Coverage of mental health and substance use*
 31 *disorder pursuant to Section 1374.72 includes medically*
 32 *necessary treatment of a mental health or substance use disorder,*
 33 *including, but not limited to, behavioral health crisis services,*
 34 *provided to an enrollee by a 988 center or mobile crisis team, as*
 35 *set forth in Chapter 1 (commencing with Section 53000) of Part*
 36 *1 of Division 2 of Title 5 of the Government Code, regardless of*
 37 *whether the service is provided by an in-network or out-of-network*
 38 *provider.*

39 (b) *A health care service plan shall not require prior*
 40 *authorization for medically necessary treatment of a mental health*

1 *or substance use disorder provided by a 988 center, mobile crisis*
2 *team, or other provider of behavioral health crisis services to an*
3 *enrollee pursuant to Chapter 1 (commencing with Section 53000)*
4 *of Part 1 of Division 2 of Title 5 of the Government Code.*

5 *(c) (1) Notwithstanding subdivision (f) of Section 1371.4, a*
6 *health care service plan shall reimburse a 988 center, mobile crisis*
7 *team, or other provider of behavioral health crisis services for*
8 *medically necessary treatment of a mental health or substance use*
9 *disorder consistent with the requirements of Section 1371.4 and*
10 *any other applicable requirement of this chapter.*

11 *(2) If an enrollee receives medically necessary treatment for a*
12 *mental health or substance use disorder from a 988 center, mobile*
13 *crisis team, or other provider of behavioral health crisis services*
14 *outside the plan network, the enrollee shall pay no more than the*
15 *same cost sharing that the enrollee would pay for the same covered*
16 *services received from an in-network provider. This amount shall*
17 *be referred to as the “in-network cost-sharing amount.” An*
18 *out-of-network 988 center, mobile crisis team, or other provider*
19 *of behavioral health crisis services shall not bill or collect an*
20 *amount from the enrollee for services subject to this section except*
21 *for the in-network cost-sharing amount.*

22 *(d) The definition of “behavioral health crisis services” set*
23 *forth in Section 53123.1.5 of the Government Code shall apply for*
24 *purposes of this section.*

25 *(e) This section does not excuse a health care service plan from*
26 *complying with Section 1374.72 or any other requirement of this*
27 *chapter.*

28 *(f) This section does not apply to Medi-Cal managed care*
29 *contracts entered pursuant to Chapter 7 (commencing with Section*
30 *14000), Chapter 8 (commencing with Section 14200), or Chapter*
31 *8.75 (commencing with Section 14591) of Part 3 of Division 9 of*
32 *the Welfare and Institutions Code between the State Department*
33 *of Health Care Services and a health care service plan for enrolled*
34 *Medi-Cal beneficiaries.*

35 *SEC. 4. Section 10144.57 is added to the Insurance Code, to*
36 *read:*

37 *10144.57. (a) Coverage of mental health and substance use*
38 *disorder treatment pursuant to Section 10144.5 includes medically*
39 *necessary treatment of a mental health or substance use disorder,*
40 *including, but not limited to, behavioral health crisis services,*

1 provided to an insured by a 988 center or mobile crisis team, as
2 set forth in Chapter 1 (commencing with Section 53123.1) of Part
3 1 of Division 2 of Title 5 of the Government Code, regardless of
4 whether the service is provided by an in-network or out-of-network
5 provider.

6 (b) An insurer shall not require prior authorization for medically
7 necessary treatment of a mental health or substance use disorder
8 provided by a 988 center, mobile crisis team, or other provider of
9 behavioral health crisis services to an insured pursuant to Chapter
10 1 (commencing with Section 53123.1) of Part 1 of Division 2 of
11 Title 5 of the Government Code.

12 (c) (1) An insurer shall reimburse a 988 center, mobile crisis
13 team, or other provider of behavioral health crisis services for
14 medically necessary treatment of a mental health or substance use
15 disorder consistent with the requirements of Sections 10123.13,
16 10123.147, and any other applicable requirement of this part.

17 (2) If an insured receives medically necessary treatment for a
18 mental health or substance use disorder from a 988 center, mobile
19 crisis team, or other provider of behavioral health crisis services
20 that is an out-of-network provider, the insured shall pay no more
21 than the same cost sharing that the insured would pay for the same
22 covered services received from an in-network provider. This
23 amount shall be referred to as the "in-network cost-sharing
24 amount." An out-of-network 988 center, mobile crisis team, or
25 other provider of behavioral health crisis services shall not bill
26 or collect an amount from the insured for services subject to this
27 section except for the in-network cost-sharing amount.

28 (d) The definition of "behavioral health crisis services" in
29 Section 53123.1.5 of the Government Code shall apply for purposes
30 of this section.

31 (e) This section does not excuse a disability insurer from
32 complying with Section 10144.5 or any other requirement of this
33 part.

34 (f) This section does not apply to accident-only, specified
35 disease, hospital indemnity, Medicare supplement, dental-only, or
36 vision-only insurance policies.

37 (g) The commissioner may promulgate regulations subject to
38 the Administrative Procedure Act (Chapter 3.5 (commencing with
39 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
40 Code) to implement this section, and Section 10144.4, 10144.5,

1 10144.51, or 10144.52 of this code. This subdivision shall not be
2 construed to impair or restrict the commissioner’s rulemaking
3 authority pursuant to another provision of this code or the
4 Administrative Procedure Act.

5 ~~SEC. 3.~~

6 SEC. 5. Section 41007.2 of the Revenue and Taxation Code is
7 amended to read:

8 41007.2. (a) “Wireline communications service” shall mean
9 a local exchange service provided at a physical location in this
10 state that allows the user to make an outbound communication to
11 the 911 emergency communications or 988-~~crisis hotline~~. *Suicide*
12 *and Crisis Lifeline*.

13 (b) For the purposes of the surcharge imposed by Chapter 2
14 (commencing with Section 41020):

15 (1) A wireline communications service access line does not
16 include a direct inward dialing number, extension, or other similar
17 feature that routes an inbound call and cannot provide access to
18 the 911 emergency communications system.

19 (2) The number of surcharges imposed shall not exceed the total
20 number of concurrent outbound calls that can be placed to the
21 emergency communications system at a single point of time.

22 (c) This definition shall apply only to this part.

23 (d) Commencing January 1, 2023, ~~the definition~~ a “*wireless*
24 *communications service*” shall include a local exchange service
25 provided at a physical location in this state that allows the user to
26 make an outbound communication to the 988-~~crisis hotline~~ *Suicide*
27 *and Crisis Lifeline*, as defined in the Miles Hall Lifeline and
28 Suicide Prevention Act (Article 6.3 (commencing with Section
29 53123.1) of Chapter 1 of Part 1 of Division 2 of Title 5 of the
30 Government Code).

31 ~~SEC. 4.~~

32 SEC. 6. Section 41007.3 of the Revenue and Taxation Code is
33 amended to read:

34 41007.3. (a) (1) (A) “Wireless communications service line”
35 shall mean a telecommunications service provided to an end user
36 with a place of primary use in this state that allows the end user
37 to make an outbound communication to the 911 emergency
38 communications system. ~~A wireless communications service line~~
39 ~~shall not include prepaid mobile telephony service.~~

1 (B) Commencing January 1, 2023, a “wireless communications
 2 service line” shall include a telecommunications service provided
 3 to an end user with a place of primary use in this state that allows
 4 the user to make an outbound communication to the 988 Suicide
 5 and Crisis Lifeline, as defined in the Miles Hall Lifeline and Suicide
 6 Prevention Act (Article 6.3 (commencing with Section 53123.1)
 7 of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government
 8 Code).

9 (2) A wireless communications service line shall not include
 10 prepaid mobile telephony service.

11 (b) For the purposes of the surcharge imposed by Chapter 2
 12 (commencing with Section 41020), not more than one 911
 13 surcharge and one 988 surcharge may be imposed per wireless
 14 communications service line number assigned to an end user of
 15 mobile telecommunications service.

16 (c) ~~This~~The definition of “wireless communication services
 17 line” shall apply only to this part.

18 ~~(d) Commencing January 1, 2023, the definition shall include~~
 19 ~~a local exchange service provided at a physical location in this~~
 20 ~~state that allows the user to make an outbound communication to~~
 21 ~~the 988 crisis hotline as defined in the Miles Hall Lifeline and~~
 22 ~~Suicide Prevention Act (Article 6.3 (commencing with Section~~
 23 ~~53123.1) of Chapter 1 of Part 1 of Division 2 of Title 5 of the~~
 24 ~~Government Code).~~

25 ~~SEC. 5.~~

26 SEC. 7. Section 41013 of the Revenue and Taxation Code is
 27 amended to read:

28 41013. “Surcharge” means a tax or taxes levied by this state.
 29 ~~“Surcharge,”~~ Commencing January 1, 2023, “surcharge,” or
 30 “surcharges” as used in this part, refers to two separate charges,
 31 one related to 911 service and one related to 988 service.

32 ~~SEC. 6.~~

33 SEC. 8. The heading of Chapter 2 (commencing with Section
 34 41020) of Part 20 of Division 2 of the Revenue and Taxation Code
 35 is amended to read:

36

37 CHAPTER 2. THE SURCHARGES

38

1 ~~SEC. 7.~~

2 *SEC. 9.* The heading of Article 1 (commencing with Section
3 41020) of Chapter 2 of Part 20 of Division 2 of the Revenue and
4 Taxation Code is amended to read:

5
6 Article 1. Imposition of the Surcharges
7

8 ~~SEC. 8.~~

9 *SEC. 10.* Section 41020 of the Revenue and Taxation Code is
10 amended to read:

11 41020. (a) (1) (A) On and after January 1, 2020, a 911
12 surcharge is hereby imposed on each access line for each month
13 or part thereof for which a service user subscribes with a service
14 supplier, at an amount determined under Article 2 (commencing
15 with Section 41030). Beginning January 1, 2023, a separate 988
16 surcharge is hereby imposed on each access line for each month
17 or part thereof for which a service user subscribes with a service
18 supplier, at an amount determined under Article 2 (commencing
19 with Section 41030).

20 (B) The surcharges shall be paid by the service user as
21 hereinafter provided.

22 (2) On and after January 1, 2020, the purchase of prepaid mobile
23 telephony services in this state shall be subject to ~~a~~ *the 911*
24 surcharge set forth under Article 2 (commencing with Section
25 41030). The surcharge shall be paid by the prepaid consumer in
26 accordance with Section 41028 and remitted and administered in
27 accordance with this part. Beginning January 1, 2023, a separate
28 988 surcharge is hereby imposed on the purchase of prepaid mobile
29 telephony services, at an amount determined under Article 2
30 (commencing with Section 41030).

31 (b) The surcharges imposed shall not apply to either of the
32 following:

33 (1) In accordance with the Mobile Telecommunications Sourcing
34 Act (Public Law 106-252), which is incorporated herein by
35 reference, to any charges for mobile telecommunications services
36 billed to a customer where those services are provided, or deemed
37 provided, to a customer whose place of primary use is outside this
38 state. Mobile telecommunications services shall be deemed
39 provided by a customer's home service provider to the customer
40 if those services are provided in a taxing jurisdiction to the

1 customer, and the charges for those services are billed by or for
2 the customer's home service provider.

3 (2) To any charges for VoIP service billed to a customer where
4 those services are provided to a customer whose place of primary
5 use of VoIP service is outside this state.

6 (c) For purposes of this section:

7 (1) "Charges for mobile telecommunications services" means
8 any charge for, or associated with, the provision of commercial
9 mobile radio service, as defined in Section 20.3 of Title 47 of the
10 Code of Federal Regulations, as in effect on June 1, 1999, or any
11 charge for, or associated with, a service provided as an adjunct to
12 a commercial mobile radio service, that is billed to the customer
13 by or for the customer's home service provider, regardless of
14 whether individual transmissions originate or terminate within the
15 licensed service area of the home service provider.

16 (2) "Customer" means (A) the person or entity that contracts
17 with the home service provider for mobile telecommunications
18 services, or with a VoIP service provider for VoIP service, or (B)
19 if the end user of mobile telecommunications services or VoIP
20 service is not the contracting party, the end user of the mobile
21 telecommunications service or VoIP service. This paragraph applies
22 only for the purpose of determining the place of primary use. The
23 term "customer" does not include (A) a reseller of mobile
24 telecommunications service or VoIP communication service, or
25 (B) a serving carrier under an arrangement to serve the mobile
26 customer outside the home service provider's licensed service
27 area.

28 (3) "Home service provider" means the facilities-based carrier
29 or reseller with which the customer contracts for the provision of
30 mobile telecommunications services.

31 (4) "Licensed service area" means the geographic area in which
32 the home service provider is authorized by law or contract to
33 provide commercial mobile radio service to the customer.

34 (5) "Mobile telecommunications service" means commercial
35 mobile radio service, as defined in Section 20.3 of Title 47 of the
36 Code of Federal Regulations, as in effect on June 1, 1999.

37 (6) "Place of primary use" means the street address
38 representative of where the customer's use of the mobile
39 telecommunications service or VoIP service primarily occurs, that
40 must be:

1 (A) The residential street address or the primary business street
2 address of the customer.

3 (B) With respect to mobile telecommunications service, within
4 the licensed service area of the home service provider.

5 (7) (A) “Reseller” means a provider who purchases
6 telecommunications services or VoIP service from another
7 telecommunications service provider or VoIP service and then
8 resells the services, or uses the services as a component part of,
9 or integrates the purchased services into, a mobile
10 telecommunications service or VoIP service.

11 (B) “Reseller” does not include a serving carrier with which a
12 home service provider arranges for the services to its customers
13 outside the home service provider’s licensed service area.

14 (8) “Serving carrier” means a facilities-based carrier providing
15 mobile telecommunications service to a customer outside a home
16 service provider’s or reseller’s licensed area.

17 (9) “Taxing jurisdiction” means any of the several states, the
18 District of Columbia, or any territory or possession of the United
19 States, any municipality, city, county, township, parish,
20 transportation district, or assessment jurisdiction, or any other
21 political subdivision within the territorial limits of the United States
22 with the authority to impose a tax, charge, or fee.

23 (10) “VoIP service provider” means that provider of VoIP
24 service with whom the end user customer contracts for the
25 provision of VoIP services for the customer’s own use and not for
26 resale.

27 ~~SEC. 9.~~

28 *SEC. 11.* Section 41021 of the Revenue and Taxation Code is
29 amended to read:

30 41021. (a) A service supplier shall collect the surcharges from
31 each service user at the time it collects its billings from the service
32 user. The duty to collect the ~~surcharge~~ *surcharges* from a service
33 user shall commence with the beginning of the first regular billing
34 period applicable to that person which starts on or after the
35 operative date of the surcharge imposed by this part. If the stations
36 or lines of more than one service supplier are utilized in furnishing
37 the telephone communication services to the service user, the
38 service supplier that bills the customer shall collect the surcharge
39 from the customer.

1 (b) Only one payment per month under this part shall be required
2 with respect to the surcharges on an access line.

3 ~~SEC. 10.~~

4 *SEC. 12.* Section 41022 of the Revenue and Taxation Code is
5 amended to read:

6 41022. (a) The surcharges required to be collected by the
7 service supplier shall *each* be added to and stated separately in its
8 billings to the service user.

9 (b) Notwithstanding subdivision (a), a service supplier may
10 elect to combine the 911 and 988 surcharges into a single-line item
11 on the service user billing. If the service supplier elects to combine
12 the surcharges, the combined surcharge shall be labeled as the
13 “911/988 Surcharge” on the service user’s bill. The service supplier
14 shall remit the combined surcharges to the department in separate
15 amounts for each surcharge on forms prescribed by the department.

16 ~~SEC. 11.~~

17 *SEC. 13.* Section 41023 of the Revenue and Taxation Code is
18 amended to read:

19 41023. The surcharges required to be collected by the service
20 supplier, and any amount unreturned to the service user that is not
21 ~~a surcharge owed as part of the surcharges~~ but was collected from
22 the service user ~~as representing a surcharge, under the~~
23 ~~representation by the service supplier that it was owed as part of~~
24 ~~the surcharges~~, constitute debts owed by the service supplier to
25 this state.

26 A service supplier that has collected any amount of surcharges
27 in excess of the amount of surcharges imposed by this part and
28 actually due from a service user, may refund that amount to the
29 service user, even though ~~that the surcharge amount has amounts~~
30 ~~have~~ already been paid over to the department and a corresponding
31 credit or refund has not yet been secured. The service supplier may
32 claim credit for that overpayment refund against the amount of
33 surcharges imposed by this part that is due upon any other return,
34 providing that credit is claimed in a return dated no later than three
35 years from the date of overpayment.

36 ~~SEC. 12.~~

37 *SEC. 14.* Section 41024 of the Revenue and Taxation Code is
38 amended to read:

39 41024. Every service user in this state is liable for the
40 surcharges ~~until it has~~ *they have* been paid to this state, except that

1 payment to a service supplier registered under this part is sufficient
2 to relieve the *service* user from further liability for the ~~surcharge~~.
3 *surcharges*.

4 Any surcharge collected from a service user that has not been
5 remitted to the department shall be deemed a debt owed to the
6 state by the person required to collect and remit that surcharge.
7 Nothing in this part shall impose any obligation upon a service
8 supplier to take any legal action to enforce the collection of the
9 ~~utility users surcharge~~ *surcharges* imposed by this part. The service
10 supplier shall provide the department with amounts uncollected
11 which total three dollars (\$3) or more on a cumulative basis with
12 respect to a single service user along with the names, addresses,
13 and reasons of the service users refusing to pay the surcharges
14 imposed by this part.

15 ~~SEC. 13.~~

16 *SEC. 15.* Section 41028 of the Revenue and Taxation Code is
17 amended to read:

18 41028. (a) (1) On and after January 1, 2020, the surcharge
19 amounts imposed by Section 41020 on the purchase of prepaid
20 mobile telephony services in this state shall be collected by a seller
21 from each prepaid consumer at the time of each retail transaction
22 in this state. The surcharges shall be imposed at an amount as
23 determined under Article 2 (commencing with Section 41030) on
24 each retail transaction that occurs in this state.

25 (2) (A) The amount of the surcharges shall be separately stated
26 on an invoice, receipt, or other similar document that is provided
27 to the prepaid consumer of mobile telephony services by the seller,
28 or otherwise disclosed electronically to the prepaid consumer, at
29 the time of the retail transaction.

30 (B) Notwithstanding subparagraph (A), a seller may elect to
31 combine the 911 and 988 surcharges into a single-line item. If the
32 seller elects to combine the surcharges, the combined surcharge
33 shall be labeled as the “911/988 Surcharge” on the invoice, receipt,
34 or other similar document that is provided to the prepaid consumer
35 of mobile telephony services by the seller, or otherwise disclosed
36 electronically to the prepaid consumer, at the time of the retail
37 transaction. The seller shall remit the combined surcharges to the
38 department in separate amounts for each surcharge on forms
39 prescribed by the department.

1 (b) (1) The surcharges that are required to be collected by a
2 seller and any amount unreturned to the prepaid consumer of
3 mobile telephony services that is not owed as part of the surcharge,
4 but was collected from the prepaid consumer under the
5 representation by the seller that it was owed as part of the
6 surcharge, constitutes debts owed by the seller to this state.

7 (2) A seller that has collected any amount of surcharge in excess
8 of the amount of the ~~surcharge~~ *surcharges* imposed by this part
9 and actually due from a prepaid consumer may refund that amount
10 to the prepaid consumer, even though the surcharge ~~amount has~~
11 *amounts have* already been paid over to the department and a
12 corresponding credit or refund has not yet been secured. The seller
13 may claim credit for that overpayment refund against the amount
14 of ~~surcharge~~ *surcharges* imposed by this part that is due upon any
15 other return, providing that credit is claimed in a return dated no
16 later than three years from the date of overpayment.

17 (c) (1) Every prepaid consumer of prepaid mobile telephony
18 services in this state is liable for the surcharges until ~~it has~~ *they*
19 *have* been paid to this state, except that payment to a seller
20 registered under this part relieves the prepaid consumer from
21 further liability for the surcharges. Any surcharge collected from
22 a prepaid consumer that has not been remitted to the department
23 shall be a debt owed to the state by the person required to collect
24 and remit the surcharge. Nothing in this part shall impose any
25 obligation upon a seller to take any legal action to enforce the
26 collection of the surcharge imposed by this section.

27 (2) A credit shall be allowed against, but shall not exceed, the
28 surcharge amounts imposed on any prepaid consumer of mobile
29 telephony services by this part to the extent that the prepaid
30 consumer has paid ~~emergency telephone users charges~~ *surcharges*
31 on the purchase to any other state, political subdivision thereof,
32 or the District of Columbia. The credit shall be apportioned to the
33 charges against which it is allowed in proportion to the amounts
34 of those charges.

35 (d) A seller is relieved from liability to collect the surcharge
36 imposed by this part that became due and payable, insofar as the
37 base upon which the ~~surcharge is~~ *surcharges are* imposed is
38 represented by accounts that have been found to be worthless and
39 charged off for income tax purposes by the seller or, if the seller
40 is not required to file income tax returns, charged off in accordance

1 with generally accepted accounting principles. A seller that has
2 previously paid the surcharge may, under rules and regulations
3 prescribed by the department take as a deduction on its return the
4 amount found worthless and charged off by the seller. If any such
5 accounts are thereafter in whole or in part collected by the seller,
6 the amount so collected shall be included in the first return filed
7 after such collection and the surcharge shall be paid with the return.

8 (e) For purposes of this section, a retail transaction occurs in
9 the state under any of the following circumstances:

10 (1) The prepaid consumer makes the retail transaction in person
11 at a business location in the state (point-of-sale transaction).

12 (2) If paragraph (1) is not applicable, the prepaid consumer's
13 address is in the state (known-address transaction). A
14 known-address transaction occurs in the state under any of the
15 following circumstances:

16 (A) The retail sale involves shipping of an item to be delivered
17 to, or picked up by, the prepaid consumer at a location in the state.

18 (B) If the prepaid consumer's address is known by the seller to
19 be in the state, including if the seller's records maintained in the
20 ordinary course of business indicate that the prepaid consumer's
21 address is in the state and the records are not made or kept in bad
22 faith.

23 (C) The prepaid consumer provides an address during
24 consummation of the retail transaction that is in the state, including
25 an address provided with respect to the payment instrument if no
26 other address is available and the address is not given in bad faith.

27 (3) If an address is not available to the seller to determine
28 whether any of the circumstances in paragraph (2) exist, the
29 transaction will be deemed to be a known-address transaction
30 occurring in this state if the mobile telephone number is associated
31 with a location in this state.

32 (f) The surcharge amounts imposed under this section shall be
33 remitted by every seller, except a service supplier, as prescribed
34 under Part 1 (commencing with Section 6001), along with a return
35 filed using electronic media. The department shall administer such
36 remittance and returns as prescribed under Part 1 (commencing
37 with Section 6001).

38 (g) Notwithstanding Article 1.1 (commencing with Section
39 41060) of Chapter 4, any seller, except a service supplier, required,
40 or that elects, to remit amounts due under Part 1 (commencing

1 with Section 6001) by electronic funds transfer pursuant to Article
2 1.2 (commencing with Section 6479.3) of Chapter 5 of Part 1 shall
3 remit the surcharge upon prepaid mobile telephony service amounts
4 due under this section by electronic funds transfer.

5 (h) The purchase in a retail transaction in this state of prepaid
6 mobile telephony services, either alone or in combination with
7 mobile data or other services, by a prepaid consumer is exempt
8 from the surcharges if all of the following apply:

9 (1) The prepaid consumer is certified as eligible for the state
10 lifeline program or federal lifeline program.

11 (2) The seller is authorized to provide lifeline service under the
12 state lifeline program or federal lifeline program.

13 ~~SEC. 14.~~

14 *SEC. 16.* The heading of Article 2 (commencing with Section
15 41030) of Chapter 2 of Part 20 of Division 2 of the Revenue and
16 Taxation Code is amended to read:

17
18 Article 2. Adjustment of Surcharge Amounts

19
20 ~~SEC. 15.~~

21 *SEC. 17.* Section 41030 of the Revenue and Taxation Code is
22 amended to read:

23 41030. (a) The Office of Emergency Services shall determine
24 annually, on or before October 1, to be effective on January 1 of
25 the following year, ~~a surcharge amount~~ *amounts* pursuant to
26 subdivision (b) that it estimates will produce sufficient revenue to
27 fund the current fiscal year's 911 and 988 costs.

28 (b) ~~For determinations made that are applicable to the calendar~~
29 ~~year beginning on January 1, 2020, and each calendar year~~
30 ~~thereafter, the~~ *The surcharge amount amounts* shall be determined
31 annually by dividing the costs, including incremental costs, the
32 Office of Emergency Services estimates for the current fiscal year
33 of the following:

34 (1) The 911 costs approved pursuant to Article 6 (commencing
35 with Section 53100) of Chapter 1 of Part 1 of Division 2 of Title
36 5 of the Government Code, less the available balance in the State
37 Emergency Telephone Number Account in the General Fund, by
38 its estimate of the number of access lines to which the surcharge
39 will apply per month for the period of January 1 to December 31,
40 inclusive, of the next succeeding calendar year, but in no event

1 shall the surcharge amount in any month be greater than eighty
2 cents (\$0.80) per access line per month.

3 (2) For the 2023 and 2024 calendar years, the 988 surcharge
4 shall be set at eight cents (\$0.08) per access line per month.

5 (3) For *determinations that are made applicable to the calendar*
6 *year beginning on January 1, 2025, and each calendar year*
7 *thereafter, the 988 surcharge shall be determined by dividing the*
8 *988 costs approved pursuant to Article 6.3 (commencing with*
9 *Section 53123.1) of Chapter 1 of Part 1 of Division 2 of Title 5 of*
10 *the Government Code, less the available balance in the 988 State*
11 *Mental Health and Suicide and Behavioral Health Crisis Services*
12 *Special Fund, by the Office of Emergency Services’ estimate of*
13 *the number of access lines to which the surcharge will apply per*
14 *month for the period of January 1 to December 31, inclusive, of*
15 *the next succeeding calendar year, but in no event shall the*
16 *surcharge amount in any month be greater than thirty cents (\$0.30)*
17 *per access line per month.*

18 (c) When determining the *911* surcharge amount pursuant to
19 this section, the office shall include the costs it expects to incur to
20 plan, test, implement, and operate Next Generation 911 technology
21 and services, including text to 911 service, and alerts and warnings,
22 consistent with the plan and timeline required by Section 53121
23 of the Government Code.

24 (d) (1) Service suppliers shall report the total number of access
25 lines to the Office of Emergency Services, on or before August 1,
26 for the previous period of January 1 to December 31, inclusive.

27 (2) The total number of access lines required to be reported in
28 paragraph (1) shall include all lines from the categories of wireline
29 communication service line, wireless communication service line,
30 prepaid mobile telephony service line, and VoIP service line. The
31 number of access line figures shall be reported individually for
32 these categories.

33 (3) Notwithstanding any other law, the Office of Emergency
34 Services, within 45 days of receiving a request from the
35 department, shall provide the department the name and address of
36 each service supplier, each service supplier’s total number of access
37 lines, as provided in paragraph (2) for the prior calendar year, and
38 any other information the department deems necessary to conduct
39 its responsibilities under this part.

1 (e) The office shall perform a validation of the number of access
2 lines using subscription data or other comparable data collected
3 by appropriate federal or state agencies. This subscription data or
4 other comparable data shall be used to validate the access line data
5 required to be reported by service suppliers in subdivision (d).

6 (f) (1) The office shall notify the department of the surcharge
7 amount imposed under this part, determined pursuant to this section
8 on or before October 1 of each year.

9 (2) The surcharge imposed on the purchase of prepaid mobile
10 telephony services shall be equal to the amount set forth in
11 subdivision (b) for each retail transaction in this state.

12 (g) (1) At least 30 days prior to determining the surcharge
13 pursuant to subdivision (a), the Office of Emergency Services shall
14 prepare a summary of the calculation of the proposed surcharge
15 and make it available to the public, the Legislature, the ~~911~~
16 ~~Advisory Board, the Mental Health Services Oversight and~~
17 ~~Accountability Commission, the State Department of Public Health,~~
18 *California Health and Human Services Agency and relevant*
19 *departments*, and on its internet website.

20 (2) For determinations made on or before October 1, 2019, the
21 summary shall contain all of the following:

22 (A) The prior year revenues to fund 911 costs, including, but
23 not limited to, revenues from prepaid service.

24 (B) Projected expenses and revenues from all sources, including,
25 but not limited to, prepaid service to fund 911 costs.

26 (C) The rationale for adjustment to the ~~surcharge surcharges~~
27 ~~determined pursuant to subdivision (b), including, but not limited~~
28 ~~to, all impacts from the surcharge collected pursuant to Part 21~~
29 ~~(commencing with Section 42001): (b).~~

30 (h) For purposes of this section, for the determination made by
31 the office on or before October 1, 2019, that is applicable for the
32 calendar year beginning on January 1, 2020, and ending on
33 December 31, 2020, the following definitions shall apply:

34 (1) "Service supplier" shall mean a person supplying an access
35 line to a service user in this state.

36 (2) "Service user" means any person that subscribes for the right
37 to utilize an access line in this state who is required to pay a
38 surcharge under the provisions of this part.

1 ~~SEC. 16.~~

2 *SEC. 18.* Section 41031 of the Revenue and Taxation Code is
3 amended to read:

4 41031. The Office of Emergency Services shall make its
5 determination of the surcharge amounts each year no later than
6 October 1 and shall notify the department of the new amounts
7 which shall be effective with respect to access lines and the
8 purchase of prepaid mobile telephony services on or after January
9 1 of the next succeeding calendar year.

10 ~~SEC. 17.~~

11 *SEC. 19.* Section 41032 of the Revenue and Taxation Code is
12 amended to read:

13 41032. Immediately upon notification by the Office of
14 Emergency Services, the department shall notify every service
15 supplier and seller registered with it of the new amounts by a means
16 determined by the department that may include, but is not limited
17 to, mail, electronic mail, or internet website postings.

18 ~~SEC. 18.~~

19 *SEC. 20.* Section 41046 of the Revenue and Taxation Code is
20 amended to read:

21 41046. (a) There are exempt from the surcharges the following
22 access lines and nonaccess line services:

- 23 (1) Those lines supplying lifeline service.
- 24 (2) Those lines connected to public telephones.
- 25 (3) Those lines for which no charges are billed by a service
26 supplier to a service user.

27 (b) This section shall become operative on January 1, 2020.

28 ~~SEC. 19.~~

29 *SEC. 21.* Section 41050 of the Revenue and Taxation Code is
30 amended to read:

31 41050. (a) The surcharges imposed by subparagraph (A) of
32 paragraph (1) of subdivision (a) of Section 41020 are imposed to
33 each access line for which a service user has subscribed in any
34 calendar month, whether or not the subscription covered all or part
35 of any month.

36 (b) If a service user subscribes for service with one service
37 supplier for a portion of a month and then subscribes for service
38 with another service supplier for the remainder of the same month,
39 the service user is liable for the surcharge to each of the access

1 lines for which the service user has subscribed with the service
2 supplier.

3 *SEC. 22. Section 41052 of the Revenue and Taxation Code is*
4 *amended to read:*

5 41052. (a) On or before the last day of the second month
6 following each month in which the surcharges were collected, a
7 return for that month shall be filed by a service supplier with the
8 department using electronic media. Returns shall be authenticated
9 in a form or pursuant to methods as may be prescribed by the
10 department.

11 (b) The service supplier shall include a list of any service users
12 who have refused to pay a cumulative total of three dollars (\$3)
13 or more of the ~~surcharge~~ *surcharges* imposed by this part with
14 each return filing.

15 *SEC. 23. Section 41053 of the Revenue and Taxation Code is*
16 *amended to read:*

17 41053. The person required to file the return shall deliver the
18 return together with a remittance of the amount of the ~~surcharge~~
19 *surcharges* payable to the department.

20 *SEC. 24. Section 41056 of the Revenue and Taxation Code is*
21 *amended to read:*

22 41056. The service supplier and seller shall maintain records
23 as may be necessary to determine the amount of ~~surcharge~~
24 *surcharges* collected under provisions of this part. Those records
25 shall be maintained for a period of four years from the time the
26 surcharge is due.

27 *SEC. 25. Section 41070 of the Revenue and Taxation Code is*
28 *amended to read:*

29 41070. If the department is not satisfied with return or returns
30 of the ~~surcharge~~ *surcharges* or the amount of ~~surcharge~~ *surcharges*
31 required to be paid upon the basis of the facts contained in the
32 return or returns or upon the basis of any information within its
33 possession or that may come into its possession, one or more
34 deficiency determinations may be made of the ~~amount~~ *amounts*
35 payable for one or for more than one period.

36 *SEC. 26. Section 41080 of the Revenue and Taxation Code is*
37 *amended to read:*

38 41080. If any person fails to make a return, the department
39 shall make an estimate of the number of access lines or purchases
40 of prepaid mobile telephony services that are subject to the

1 ~~surecharge.~~ *surcharges*. The estimate shall be made for the period
2 or periods in respect to which the person failed to make a return
3 and shall be based upon any information which is in the
4 department’s possession or may come into its possession. Upon
5 the basis of this estimate the department shall compute and
6 determine the ~~amount~~ *amounts* required to be paid to the state,
7 adding to the sum thus arrived at a penalty equal to 10 percent
8 thereof. One or more determinations may be made for one or for
9 more than one period.

10 *SEC. 27. Section 41095.5 of the Revenue and Taxation Code*
11 *is amended to read:*

12 41095.5. (a) If the department finds, taking into account all
13 facts and circumstances, that it is inequitable to compute interest
14 at the modified adjusted rate per month or fraction thereof, as
15 defined in subdivision (b) of Section 6591.5, interest shall be
16 computed at the modified adjusted daily rate from the date on
17 which the ~~surecharge~~ *was surcharges were* due until the date of
18 payment, if all of the following occur:

19 (1) The payment of the ~~surecharge~~ *surcharges* was made one
20 business day after the date the ~~surecharge~~ *was surcharges were* due.

21 (2) The person was granted relief from all penalties that applied
22 to that payment of the ~~surecharge.~~ *surcharges.*

23 (3) The person files a request for a one-day adjustment.

24 (b) For purposes of this section, “modified adjusted daily rate”
25 means the modified adjusted rate per annum as defined in
26 subdivision (a) of Section 6591.5 determined on a daily basis by
27 dividing the modified adjusted rate per annum by 365.

28 (c) For the purposes of this section, “department” means the
29 California Department of Tax and Fee Administration.

30 (d) For purposes of this section, “business day” means any day
31 other than a Saturday, Sunday, or any day designated as a state
32 holiday.

33 (e) This section shall not apply to any payment made pursuant
34 to a deficiency determination, or a determination where no return
35 has been filed.

36 (f) This section shall only apply to electronic payments of
37 surcharges.

38 ~~SEC. 20:~~

39 *SEC. 28. Section 41098 of the Revenue and Taxation Code is*
40 *amended to read:*

1 41098. (a) If the department finds that a person’s failure to
 2 make a timely return or payment is due to the person’s reasonable
 3 reliance on written advice from the department, the person may
 4 be relieved of the surcharges imposed by this part and any penalty
 5 or interest added thereto.

6 (b) For purposes of this section, a person’s failure to make a
 7 timely return or payment shall be considered to be due to
 8 reasonable reliance on written advice from the department, only
 9 if the department finds that all of the following conditions are
 10 satisfied:

11 (1) The person requested in writing that the department advise
 12 the person whether a particular activity or transaction is subject to
 13 the surcharge under this part. The specific facts and circumstances
 14 of the activity or transaction shall be fully described in the request.

15 (2) The department responded in writing to the person regarding
 16 the written request for advice, stating whether or not the described
 17 activity or transaction is subject to the surcharges, or stating the
 18 conditions under which the activity or transaction is subject to the
 19 surcharges.

20 (3) The liability for surcharges applied to a particular activity
 21 or transaction which occurred before either of the following:

22 (A) Before the department rescinded or modified the advice so
 23 given, by sending written notice to the person of rescinded or
 24 modified advice.

25 (B) Before a change in statutory or constitutional law, a change
 26 in the department’s regulations, or a final decision of a court, which
 27 renders the department’s earlier written advice no longer valid.

28 (c) Any person seeking relief under this section shall file with
 29 the department all of the following:

30 (1) A copy of the person’s written request to the department
 31 and a copy of the department’s written advice.

32 (2) A statement under penalty of perjury setting forth the facts
 33 on which the claim for relief is based.

34 (3) Any other information which the department may require.

35 (d) Only the person making the written request shall be entitled
 36 to rely on the department’s written advice to that person.

37 ~~SEC. 21.~~

38 *SEC. 29.* Section 41100 of the Revenue and Taxation Code is
 39 amended to read:

1 41100. (a) If the department determines that any amount,
2 penalty, or interest has been paid more than once or has been
3 erroneously or illegally collected or computed, the department
4 shall set forth that fact in the records of the department, certify the
5 amount collected in excess of the amount legally due and the
6 person from whom it was collected or by whom paid, and credit
7 the excess amount collected or paid on any amounts then due and
8 payable from the person from whom the excess amount was
9 collected or by whom it was paid under this part, and the balance
10 shall be refunded to the person, or their successors, administrators,
11 or executors. Any proposed determination by the department
12 pursuant to this section with respect to an amount in excess of fifty
13 thousand dollars (\$50,000) shall be available as a public record
14 for at least 10 days prior to the effective date of that determination.

15 ~~Any~~

16 (b) Any overpayment of a surcharge by a service user to a service
17 supplier or by a prepaid consumer to a seller who is required to
18 collect the surcharge shall be credited or refunded by the state to
19 the service user. However, if the service supplier or seller has paid
20 the amount to the department and establishes to the satisfaction of
21 the department that it has not collected the amount from the service
22 user or has refunded the amount to the service user, the
23 overpayment may be credited or refunded by the state to the service
24 supplier.

25 *SEC. 29.5. Section 41100 of the Revenue and Taxation Code*
26 *is amended to read:*

27 41100. (a) If the department determines that any amount,
28 penalty, or interest has been paid more than once or has been
29 erroneously or illegally collected or computed, the department
30 shall set forth that fact in the records of the department, certify the
31 amount collected in excess of the amount legally due and the
32 person from whom it was collected or by whom paid, and credit
33 the excess amount collected or paid on any amounts then due and
34 payable from the person from whom the excess amount was
35 collected or by whom it was paid under this part, and the balance
36 shall be refunded to the person, or their successors, administrators,
37 or executors. Any ~~proposed~~ determination by the department
38 pursuant to this section with respect to an amount in excess of fifty
39 thousand dollars (\$50,000) shall be available as a public record

1 for at least 10 days ~~prior to~~ *after* the effective date of that
2 determination.

3 ~~Any~~

4 (b) Any overpayment of ~~the~~ a surcharge by a service user to a
5 service supplier or by a prepaid consumer to a seller who is
6 required to collect the surcharge shall be credited or refunded by
7 the state to the service user. However, if the service supplier or
8 seller has paid the amount to the department and establishes to the
9 satisfaction of the department that it has not collected the amount
10 from the service user or has refunded the amount to the service
11 user, the overpayment may be credited or refunded by the state to
12 the service supplier.

13 *SEC. 30. Section 41101.3 of the Revenue and Taxation Code*
14 *is amended to read:*

15 41101.3. (a) A claim for refund that is otherwise valid under
16 Sections 41101 and 41102 that is made in the case in which the
17 amount of ~~surcharge~~ *surcharges* determined has not been paid in
18 full shall be deemed to be a timely filed claim for refund with
19 respect to all subsequent payments applied to that determination.

20 (b) For purposes of this section, “amount of ~~surcharge~~
21 *surcharges* determined” means an amount of ~~surcharge,~~
22 *surcharges*, interest, or penalty, with respect to a single
23 determination made under Article 3 (commencing with Section
24 41070) or Article 4 (commencing with Section 41080) of Chapter
25 4.

26 (c) This section shall apply to all claims for refund on or after
27 the effective date of the act adding this section.

28 *SEC. 31. Section 41105 of the Revenue and Taxation Code is*
29 *amended to read:*

30 41105. Interest shall be paid upon any overpayment of any
31 amount of ~~surcharge~~ *surcharges* at the modified adjusted rate per
32 month established pursuant to Section 6591.5, from the first day
33 of the calendar month following the month during which the
34 overpayment was made. In addition, a refund or credit shall be
35 made of any interest imposed upon the person making the
36 overpayment with respect to the amount being refunded or credited.

37 The interest shall be paid as follows:

38 (a) In the case of a refund, to the last day of the calendar month
39 following the date upon which the person making the overpayment,
40 if the person has not already filed a claim, is notified by the

1 department that a claim may be filed or the date upon which the
2 claim is approved by the department, whichever date is the earlier.

3 (b) In the case of a credit, to the same date as that to which
4 interest is computed on the surcharge or amount against which the
5 credit is applied.

6 *SEC. 32. Section 41118 of the Revenue and Taxation Code is*
7 *amended to read:*

8 41118. In the action, a certificate by the department showing
9 the delinquency shall be prima facie evidence of the determination
10 of the ~~surecharge~~ *surcharges* or the amount of ~~surecharge,~~
11 *surcharges*, of the delinquency of the amounts set forth, and of
12 the compliance by the department with all the provisions of this
13 part in relation to the computation and determination of the
14 amounts.

15 ~~SEC. 22.~~

16 *SEC. 33. Section 41128 of the Revenue and Taxation Code is*
17 *amended to read:*

18 41128. The department shall enforce the provisions of this part
19 and may prescribe, adopt, and enforce rules and regulations relating
20 to the administration and enforcement of this part. The department
21 shall not prescribe, adopt, or enforce any rule or regulation that
22 has the effect, directly or indirectly, of altering the terms and
23 conditions of service of a service supplier serving the general
24 public, other than the imposition of the surcharges.

25 ~~SEC. 23.~~

26 *SEC. 34. Section 41135 of the Revenue and Taxation Code is*
27 *amended to read:*

28 41135. (a) All amounts required to be paid to the state under
29 this part shall be paid to the department in the form of remittances
30 payable to the California Department of Tax and Fee
31 Administration. The department shall transmit the ~~payments~~
32 *revenues* to the State Treasurer to be deposited in the State Treasury
33 to either the credit of the State Emergency Telephone Number
34 Account in the General Fund, or the 988 State ~~Mental Health and~~
35 *Suicide and Behavioral Health Crisis Services* ~~Special~~ Fund,
36 depending on the apportionment of the ~~surecharge~~ *revenues* arising
37 from the ~~911 emergency communication system or the 988 crisis~~
38 ~~hotline.~~ *each surcharge.*

1 (b) The department, in consultation with the Office of
2 Emergency Services, may adopt regulations to implement the
3 apportionment of the ~~surcharge~~ *revenues from each surcharge*.

4 (c) The department shall submit an annual report to the Office
5 of Emergency Services on revenue generated by the 988 surcharge.

6 ~~SEC. 24.~~

7 *SEC. 35.* Section 41136 of the Revenue and Taxation Code is
8 amended to read:

9 41136. (a) From the funds in the State Emergency Telephone
10 Number Account, all amounts of the *911* surcharge collected shall,
11 when appropriated by the Legislature, be spent solely for the
12 following purposes:

13 (1) To pay refunds authorized by this part.

14 (2) To pay the department for the cost of the administration of
15 *the 911 surcharge under* this part.

16 (3) To pay the Office of Emergency Services for its costs in
17 administration of the "911" emergency telephone number system.

18 (4) To pay bills submitted to the Office of Emergency Services
19 by service suppliers or communications equipment companies for
20 the installation of, and ongoing expenses for, the following
21 communications services supplied to local agencies in connection
22 with the "911" emergency phone number system:

23 (A) A basic system, defined as 911 systems, including, but not
24 limited to, Next Generation 911, and the subsequent technologies,
25 and interfaces needed to deliver 911 voice and data information
26 from the 911 caller to the emergency responder and the subsequent
27 technologies, and interfaces needed to send information, including,
28 but not limited to, alerts and warnings, to potential 911 callers.

29 (B) A basic system with telephone central office identification.

30 (C) A system employing automatic call routing.

31 (D) Approved incremental costs.

32 (5) To pay claims of local agencies for approved incremental
33 costs, not previously compensated for by another governmental
34 agency.

35 (6) To pay claims of local agencies for incremental costs and
36 amounts, not previously compensated for by another governmental
37 agency, incurred prior to the effective date of this part, for the
38 installation and ongoing expenses for the following communication
39 services supplied in connection with the "911" emergency
40 telephone number system:

1 (A) A basic system, defined as 911 systems, including, but not
2 limited to, Next Generation 911, and the subsequent technologies,
3 and interfaces needed to deliver 911 voice and data information
4 from the 911 caller to the emergency responder and the subsequent
5 technologies, and interfaces needed to send information, including,
6 but not limited to, alerts and warnings, to potential 911 callers.

7 (B) A basic system with telephone central office identification.

8 (C) A system employing automatic call routing.

9 (D) Approved incremental costs. Incremental costs shall not be
10 allowed unless the costs are concurred in by the Office of
11 Emergency Services.

12 (b) (1) From the funds in the 988 State ~~Mental Health and~~
13 ~~Suicide and Behavioral Health Crisis Services Special~~ Fund, all
14 amounts of the 988 surcharge collected shall be spent for purposes
15 identified in Section 53123.4 of the Government Code. However,
16 before funds are disbursed as provided in Section 53123.4 of the
17 Government Code, funds shall be used for all of the following:

18 (A) To pay refunds authorized by this part.

19 (B) To pay the department for the cost of the administration of
20 *the 988 surcharge under* this part.

21 (C) To pay the Office of Emergency Services for its costs in
22 administration of the 988 ~~crisis hotline~~. *Suicide and Crisis Lifeline*.

23 (2) The remainder of the revenue shall be disbursed to the Office
24 of Emergency Services for the purposes identified in Section
25 53123.4 of the Government Code.

26 *SEC. 36. Section 41143.4 of the Revenue and Taxation Code*
27 *is amended to read:*

28 41143.4. Notwithstanding any other provision of this part, any
29 person who violates this part with intent to defeat or evade the
30 determination of an amount due required by law to be made is
31 guilty of a felony when the amount of tax liability aggregates
32 twenty-five thousand dollars (\$25,000) or more in any
33 12-consecutive-month period. The determination shall be approved
34 by the ~~executive~~ director or ~~his or her~~ *their* designee. Each offense
35 shall be punished by a fine of not less than five thousand dollars
36 (\$5,000) and not more than twenty thousand dollars (\$20,000), or
37 imprisonment for 16 months, two years, or three years, or by both
38 the fine and imprisonment in the discretion of the court.

1 ~~SEC. 25.~~

2 ~~SEC. 37.~~ Section 41150 of the Revenue and Taxation Code is
 3 amended to read:

4 41150. (a) The Legislature hereby declares and finds that to
 5 enable public agencies to implement “911” emergency phone
 6 systems required by the provisions of Chapter 1005 of the 1972
 7 Regular Session (Article 6 (commencing with Section 53100) of
 8 Chapter 1 of Part 1 of Division 2 of Title 5 of the Government
 9 Code) it is necessary that a surcharge be imposed upon each access
 10 line in the state and upon the purchase of prepaid mobile telephony
 11 services in this state for access to the 911 emergency
 12 communication system. This act will provide funding for basic
 13 911, as defined in Section 41136, and the technology and interfaces
 14 needed to deliver 911 voice and data information from the 911
 15 caller to the emergency responder and the subsequent technologies,
 16 and interfaces needed to send information, including, but not
 17 limited to, alerts and warnings, to potential 911 callers. In addition,
 18 this part will provide funding for incremental costs.

19 (b) The Legislature hereby finds and declares that to enable
 20 public agencies to implement the 988 ~~hotline~~ *Suicide and Crisis*
 21 *Lifeline* required by the provisions of the Miles Hall Lifeline and
 22 Suicide Prevention Act (Article 6.3 (commencing with Section
 23 53123.1) of Chapter 1 of Part 1 of Division 2 of Title 5 of the
 24 Government Code) it is necessary that a surcharge be imposed
 25 upon access lines purchased by every person in the state for access
 26 to the 988 ~~crisis hotline~~. *Suicide and Crisis Lifeline*. This act, as
 27 amended by the act adding this subdivision, will provide funding,
 28 in part, for 988 centers ~~operated by~~ *and mobile crisis teams*. *team*
 29 *operations and services*.

30 ~~SEC. 26.~~

31 ~~SEC. 38.~~ (a) ~~The sum of eight million thirty-five thousand~~
 32 ~~seven hundred dollars (\$8,035,700) three hundred thousand dollars~~
 33 ~~(\$300,000) is hereby appropriated from the General Fund to the~~
 34 ~~988 State Mental Health and Suicide and Behavioral Health Crisis~~
 35 ~~Services Special Fund, as established in Section 2 of this act.~~ *act,*
 36 *for expenditure by the California Department of Tax and Fee*
 37 *Administration in the 2022–23 fiscal year for purposes of*
 38 *implementing the amendments to Part 20 (commencing with Section*
 39 *41001) of Division 2 of the Revenue and Taxation Code, as made*
 40 *by this act.*

1 ~~(b) The sum appropriated in subdivision (a) shall be used for~~
2 ~~the following purposes:~~

3 ~~(1) To cover the state’s first year of administrative costs in~~
4 ~~implementing Section 2 of this act.~~

5 ~~(2) To fund designated 988 centers to support the first year of~~
6 ~~their implementation of the 988 system.~~

7 *SEC. 39. Section 29.5 of this bill incorporates amendments to*
8 *Section 41100 of the Revenue and Taxation Code proposed by*
9 *both this bill and Senate Bill 1496. That section of this bill shall*
10 *only become operative if (1) both bills are enacted and become*
11 *effective on or before January 1, 2023, but this bill becomes*
12 *operative first, (2) each bill amends Section 41100 of the Revenue*
13 *and Taxation Code, and (3) this bill is enacted after Senate Bill*
14 *1496, in which case Section 41100 of the Revenue and Taxation*
15 *Code, as amended by Section 29 of this bill, shall remain operative*
16 *only until the operative date of Senate Bill 1496, at which time*
17 *Section 29.5 of this bill shall become operative.*

18 ~~SEC. 27.~~

19 *SEC. 40. No reimbursement is required by this act pursuant to*
20 *Section 6 of Article XIII B of the California Constitution because*
21 *the only costs that may be incurred by a local agency or school*
22 *district will be incurred because this act creates a new crime or*
23 *infraction, eliminates a crime or infraction, or changes the penalty*
24 *for a crime or infraction, within the meaning of Section 17556 of*
25 *the Government Code, or changes the definition of a crime within*
26 *the meaning of Section 6 of Article XIII B of the California*
27 *Constitution.*

28 ~~SEC. 28.~~

29 *SEC. 41. This act is an urgency statute necessary for the*
30 *immediate preservation of the public peace, health, or safety within*
31 *the meaning of Article IV of the California Constitution and shall*
32 *go into immediate effect. The facts constituting the necessity are:*

33 *In order to provide public safety resources as quickly as possible,*
34 *it is necessary that this act take effect immediately.*