



Administration requirements and national best practice guidelines for operational and clinical standards. (GC §53123.3(a))

- 3)** Within 90 days of the passage of this bill, requires OES to appoint a 988 crisis hotline system director to implement and oversee coordinating the emergency mental health crisis response with emergency crisis lines. OES must also establish and convene the State 988 Technical Advisory Board to advise on the development of technical and operational standards for the 988 and 911 systems to coexist and to create standards for 988 operators to process and dispatch. (GC §53123.2(b))
- 4)** By July 1, 2024, OES must ensure operability between and across crisis and emergency response systems used throughout the state, including phone calls, text, chat, and other similar capabilities. (GC §53123.2(c))
- 5)** Within 90 days of the passage of this bill, requires CA HHS to appoint a 988 crisis services director to provide direction and oversight of the implementation and administration of the 988 behavioral health crisis services. CA HHS must also convene a state 988 policy advisory group to advise on implementation and administration of mental health crisis services accessible through 988. (GC §53123.3(b))
- 6)** By December 31, 2023, requires CA HHS to create a 5-year implementation plan for the 988 system that includes the following (GC §53123.3(d)):
  - a)** Access to crisis counselors through call, text and chat 24 hours a day, every day.
  - b)** Mobile crisis teams that operate 24/7 and can respond in a timely manner and as an alternative to law enforcement unless there is a medical emergency, immediate danger, or reported crime.
  - c)** Access to crisis receiving and stabilization services.
  - d)** A state governance structure of the 988 system.
  - e)** Standards of care for call centers, mobile crisis teams, and behavioral health crisis services.
  - f)** Metrics for evaluating the 988 system.
  - g)** A framework for local implementation of state 988 policies, regulations and guidelines.
  - h)** Procedures for determining the annual operating budget in order to establish the rate of the 988 surcharge and how revenue will be dispersed.

- i) Strategies for ensuring that the 988 system is adequately funded, including Medicaid reimbursement for services, federal grants, and reimbursements to counties for medically necessary services by health care plans and insurers.
- 7) Beginning January 1, 2023, creates a 988 monthly surcharge on phone access lines, similar to the existing 911 surcharge, to fund the program. (Revenue and Taxation Code §41020)
- 8) Makes the bill an urgency statute.

### **Comments:**

#### **1) Author's Intent**

With the passage of the federal government's National Suicide Hotline Designation Act, which establishes a 988 mental health crisis hotline, the state must create a framework to receive callers and provide callers with care.

The bill's sponsors state the following:

*"This month, the 988 phone number became available in California and across the country. We have the opportunity to create a sustainable system that ensures California leads the nation in crisis response. Initial federal and state investments prepared California for the launch of the number, but they aren't enough to build the sustainable crisis response system that is needed in response to those phone calls. As the calls come in, Californians in crisis will find themselves at the mercy of a county-by-county ad-hoc approach to crisis response. With a simple call to 988, all Californians should have someone to call, someone to come, and somewhere to go. AB 988 addresses this challenge, by ensuring:*

***Sustained funding for crisis centers and mobile response:*** Ongoing costs to sustain the 988-crisis response system are significant. To create an effective crisis response system that every Californian has universal and reliable access to, it must have a permanent and sustainable funding source. AB 988 introduces a small telephone surcharge, as permitted in federal 988 legislation, set at only \$0.08 per line per month for the first two years with a lifetime cap of \$0.30 per line per month to fund the California crisis centers and mobile crisis teams. Current 988 funding does not include sustained funding for these critical elements of transformational crisis response.

***Coordinated implementation and long-term planning:*** Currently inconsistency is the only consistency when it comes to crisis response in California. Right now, a person in crisis in Los Angeles County is guaranteed a vastly different response from someone in Modoc County. Comprehensive system reform is required to ensure first responders, behavioral health agencies, call centers and healthcare providers are all providing consistent and compassionate crisis response across the state. Investments in 988 coming from various federal and state sources will further complicate efforts to coordinate crisis response. AB 988 tasks the Office of

*Emergency Services (OES) with creating a technical advisory board at OES to inform the integration of 988 and 911. AB 988 also tasks HHS with developing a 5-year implementation plan for 988. While the Health and Human Services Agency will be undertaking a planning process for broader crisis intervention, a distinct technical planning process for 988 is imperative.”*

**Attachment A** is an FAQ from the bill’s sponsors providing additional background information on AB 988.

## **2) Start-Up Funding**

The Senate Health Committee’s analysis of the bill dated June 27, 2022, reports that the 2022-2023 California Budget Act includes \$8 million in one-time funds for 988 start up costs. This is in addition to \$20 million in federal grants to support the launch of the 988 hotline.

## **3) Previous Position**

At its July 7, 2021 meeting, the Board took a “support” position on this same version of the bill. However, the bill failed to move any further in 2021 and became a two-year bill.

At its May 6, 2022 meeting, the Board reaffirmed its “support” position.

## **4) Support and Opposition**

### **Support**

- Contra Costa County Board of Supervisors (co-sponsor)
- Los Angeles County Board of Supervisors (co-sponsor)
- NAMI California (co-sponsor)
- NAMI Contra Costa County (co-sponsor)
- Steinberg Institute (co-sponsor)
- The Kennedy Forum (co-sponsor)
- The Miles Hall Foundation (co-sponsor)
- American Academy of Pediatrics, California
- American Foundation for Suicide Prevention
- Association of Regional Center Agencies
- Board of Behavioral Sciences
- Board of Supervisors of the City and County of San Francisco
- Cal Voices
- California Alliance of Child and Family Services
- California Association of Marriage and Family Therapists
- California Association of Social Rehabilitation Agencies
- California Clubhouse
- California Commission on Aging
- California Commission on the Status of Women and Girls

- California Council of Community Behavioral Health Agencies
- California Psychological Association
- California State Association of Psychiatrists
- California State PTA
- Casa Pacifica Centers for Children & Families
- CHE Behavioral Services
- City of Brentwood
- City of Concord
- City of Danville
- City of Dublin
- City of Lafayette
- City of Livermore
- City of Pittsburg
- City of Pleasant Hill
- City of Pleasanton
- City of Sacramento
- City of San Diego
- City of San Pablo
- City of San Ramon
- Contra Costa County
- Crisis Support Services of Alameda County
- Democrats of Rossmoor
- Depression and Bipolar Support Alliance
- Didi Hirsch Mental Health Services
- Everytown for Gun Safety
- Fountain House
- Greater Oxnard Organization of Democrats
- Hathaway-Sycamores
- Interfaith Council of Contra Costa County
- Kings View
- Los Angeles County District Attorney's Office
- Mental Health America of California
- NAMI Greater Los Angeles County
- NAMI Mt. San Jacinto
- NAMI Santa Barbara
- NAMI Westside LA
- National Association of Social Workers, California Chapter
- NeverAgainCA
- Occupational Therapists Association of California
- Orange County Board of Supervisors
- Peace Officers' Research Association of California
- Peninsula Temple Shalom
- Place Clubhouse
- Putnam Clubhouse

- San Diego District Attorney's Office
- Southern California Psychiatric Society
- WellSpace Health
- Two individuals

## Oppose

- None at this time.

## 5) History

- 06/30/22 From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (June 29). Re-referred to Com. on APPR.
- 06/29/22 From committee: Do pass and re-refer to Com. on HEALTH. (Ayes 12. Noes 0.) (June 28). Re-referred to Com. on HEALTH.
- 06/16/22 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on G.O.
- 06/06/22 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on G.O.
- 06/24/21 Action rescinded whereby the bill was re-referred to the Com. on E., U. & C.
- 06/24/21 Re-referred to Coms. on G.O., HEALTH, and E., U. & C.
- 06/22/21 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on RLS.
- 06/16/21 Referred to Com. on RLS.
- 06/03/21 In Senate. Read first time. To Com. on RLS. for assignment.
- 06/02/21 Read third time. Passed. Ordered to the Senate. (Ayes 70. Noes 0.)
- 05/25/21 Read second time. Ordered to third reading.
- 05/24/21 Read second time and amended. Ordered returned to second reading.
- 05/20/21 From committee: Amend, and do pass as amended. (Ayes 12. Noes 4.) (May 20).
- 05/20/21 Joint Rule 62(a), file notice suspended.
- 05/19/21 In committee: Set, first hearing. Referred to APPR. suspense file.
- 05/17/21 Re-referred to Com. on APPR.
- 05/13/21 From committee chair, with author's amendments: Amend, and re-refer to Com. on APPR. Read second time and amended.
- 05/10/21 In committee: Hearing postponed by committee.
- 04/29/21 From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (April 28). Re-referred to Com. on APPR.
- 04/29/21 Coauthors revised.
- 04/21/21 From committee: Do pass and re-refer to Com. on C. & C. (Ayes 11. Noes 2.) (April 20). Re-referred to Com. on C. & C.
- 03/04/21 Referred to Coms. on HEALTH and C. & C.
- 02/19/21 From printer. May be heard in committee March 21.
- 02/18/21 Read first time. To print.

**6) Attachments**

**7) Attachment A: AB 988 FAQs**

# ATTACHMENT A



## AB 988 Frequently Asked Questions

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### **What is 9-8-8?**

9-8-8 is the new three-digit number for the National Suicide Prevention Lifeline – the new “9-1-1” for mental health crises – designed by the Federal Communications Commission (FCC) in July 2020. The number will have trained staff answer calls from individuals at risk for suicide as well as those experiencing other mental health emergencies. By July 2022, all phone companies are required to route callers dialing 9-8-8 to the National Suicide Prevention Lifeline.

Individuals calling 9-8-8 will be connected with counselors trained to assist people in emotional distress or suicidal crises and, when necessary, deploy mobile crisis teams, link callers with crisis receiving and stabilization services, and refer individuals to ongoing services.

### **How will 9-8-8 differ from 2-1-1, 3-1-1, and Family Urgent Response System (FURS), 9-1-1, and the current suicide hotline number (1-800-273-TALK)?**

2-1-1 and 3-1-1 are both non-emergency numbers for local resources. 2-1-1 can provide callers with help finding community resources, such as food banks and shelters. 3-1-1 can connect callers with non-emergency municipal services.

FURS is a coordinated statewide, regional, and county-level system designed to support current and former foster youth and their caregivers. FURS provides collaborative and timely state-level phone-based response and county-level in-home, in-person mobile response during situations of instability, to preserve the relationship of the caregiver and the child or youth.

9-1-1 is currently used for all emergencies, including mental health emergencies. Although law enforcement response is often not appropriate or for mental health crisis emergencies, police are typically the first responders activated by 9-1-1 calls.

9-8-8 will be a mental health crisis number to access counselors through the National Suicide Prevention Lifeline (currently accessible through the 10-digit number 1-800-273-TALK). National Suicide Prevention Lifeline counselors are highly trained to assist people in emotional distress or suicidal crisis. In fact, based on data provided by Lifeline call centers, approximately 98% of answered Lifeline calls do not require an emergency response. Under the new 9-8-8 system for individuals that do require an emergency response, counselors will be able to deploy trained mental health professionals and peers to respond to people in the field instead of law enforcement.

### **Who responds when you call 9-8-8?**

9-8-8 will be a mental health crisis number, and calls will be handled by National Suicide Prevention Lifeline counselors. These counselors are highly trained to assist people in emotional distress or suicidal crises. In fact, based on data provided by Lifeline call centers, approximately 98% of answered Lifeline calls do not require an emergency response. Of the 2% of the calls that do require emergency response, over 60% of those calls are ones where the caller agrees that emergency services are needed and collaborates with the Lifeline counselor to receive those services.

### **Are National Suicide Prevention Lifeline (NSPL) centers prepared to accept mental health emergency calls and the anticipated call volume increase?**

NSPL centers are already adept at handling many types of mental health emergencies. In fact, only 25% of the calls they currently receive are from someone who is suicidal. Furthermore, the NSPL has factored into its cost projections for 988 for the need for additional staff and training.

### **What happens when a caller needs an emergency response?**

In the case of situations that cannot be resolved over the phone, callers will be connected with mental health services including, but not limited to, mobile crisis teams, crisis receiving and stabilization services, and ongoing services.

For situations where someone presents a public safety risk or is in a medical emergency, calls will be transferred to 911.

### **What is a mobile crisis team?**

Mobile crisis teams include licensed mental health professionals and peer support specialists, and may include medical and health professionals.

Mobile crisis support teams provide onsite interventions including deescalation, stabilization, and referrals to mental health and other social services to individuals who are experiencing a mental health crisis.

### **What is the role for law enforcement?**

Law enforcement may only respond when there is an explicit threat to public safety, and the situation cannot be managed without law enforcement assistance.

### **How can 988 improve the lives of people who experience a mental health crisis?**

For many people with mental health and substance use disorders, particularly people of color, people in the LGBTQ+ community, and people who experience chronic homelessness, a law enforcement response to a mental health emergency has ended in tragedy or poor outcomes, including trauma, incarceration, injury, and death. Just as calls to the Lifeline are currently answered, future calls to 988 will be answered by someone trained in mental health crisis response who can often resolve the situation by phone, text, or chat.

Currently, the U.S. lacks a mental health crisis response system. With 988, California has a historic opportunity to create a crisis response system that promotes equity and provides services and supports to help individuals and communities thrive.

With non-existent or inadequate crisis care, costs escalate due to an overdependence on restrictive, longer-term hospital stays, hospital readmissions, overuse of law enforcement and human tragedies that result from a lack of access to care. Comprehensive crisis systems prevent these tragedies, save municipalities money and resources, and increase access to comprehensive care.

### **How does 988 improve health care and public safety costs?**

The 9-8-8 crisis response model offers an opportunity for significant ongoing savings for the state and local governments. Call centers will be able to divert many calls from 911, resulting in substantial cost-savings for health and safety crisis and emergency systems. Reducing the dispatch of law enforcement to persons in non-emergency mental health crises frees more resources to respond to public safety needs, and reduces the hesitation associated with reporting mental health crises.

For example, one crisis continuum program in Eugene, Oregon, CAHOOTS, is estimated to save the city an estimated \$8.5 million in public safety spending annually. In 2019, Eugene's CAHOOTS team answered 17% of the police department's overall call volume; out of 24,000 calls, police backup was requested only 150 times.

Another crisis continuum program model implemented in Phoenix, Crisis Now, is estimated to have reduced inpatient spending by \$260 million, preventing \$37 million in costs to hospital emergency departments in 2016. Phoenix saved the equivalent of 37 full-time police officers and further reduced city fire department costs.

### **Why is 9-8-8 housed under the Office of Emergency Services?**

Placing oversight authority within OES will allow for the seamless coordination between 9-8-8 and 9-1-1, which is paramount to the success of 9-8-8 implementation. To address concerns that OES does not have expertise in mental health, we require a director position be created within OES to lead 9-8-8 implementation, which must be filled by someone with experience in mental health crisis response and services. Furthermore, in drafting any regulations the director must consult with a range of mental health experts, including consumers and a representative from the Office of Suicide Prevention.

### **How will 9-8-8 be funded?**

California's 9-8-8 system will be self-funded through the assessment of a fee on telephone lines. The National Suicide Hotline Designation Act allows states to assess a fee to fund call routing, personnel, and provision of mental health and crisis outreach services in response to 9-8-8 calls. This mirrors the funding model for 9-1-1.

Additionally, Medi-Cal and private insurers will cover the costs of providing healthcare to callers.

The federal government has also included unprecedented levels of funding for alternative crisis response for individuals with a mental illness. The federal government will reimburse 85% of the costs of mobile crisis teams.

### **What is California's 9-1-1 fee?**

Each year the Office of Emergency Services does an assessment of the annual operating costs for 9-1-1. That total is then divided by the total number of telephone lines in the state to determine what the monthly fee on telephone lines will be. California currently assesses a \$0.30 cent fee generating approximately \$175 million per year to fund 9-1-1 operations.

Adjusting the fee each year based on the actual costs of operations as opposed to a flat fee ensures a lower fee for California telephone customers as well as a well-funded emergency response system.

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**

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**Introduced by Assembly Members Bauer-Kahan, Berman,  
Quirk-Silva, Ting, Gipson, and Ramos**

**(Coauthors: Assembly Members Aguiar-Curry, Bloom, Gabriel,  
Cristina Garcia, Grayson, Low, McCarty, Mullin, Luz Rivas,  
Robert Rivas, Rodriguez, Santiago, Stone, Villapudua, Wicks,  
Lackey, Lee, Akilah Weber, and Wood)**

**(Coauthors: Senators Archuleta, Eggman, Glazer, Leyva, Wiener,  
Nielsen, Ochoa Bogh, and Umberg)**

February 18, 2021

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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, and to amend Sections 41007.2, 41007.3, 41013, 41020, 41021, 41022, 41023, 41024, 41028, 41030, 41031, 41032, 41046, 41050, 41098, 41100, 41128, 41135, 41136, 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.

(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 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, 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. 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 interoperability between and across crisis and emergency response systems used throughout the state, as described. *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, 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.

(2) 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 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, in accordance with federal law and as prioritized, including funding 988 crisis hotline centers and the operation of mobile crisis teams. 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) This bill would appropriate \$8,035,700 from the General Fund to the 988 State Mental Health and 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.

(4) ~~By imposing new requirements on counties and 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 with regard to certain mandates no reimbursement is required by this act for a specified reason.~~

~~With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

*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) 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

1 compliance with the Federal Communication Commission’s rules  
2 designating “988” as a three-digit number for the National Suicide  
3 Prevention Hotline to assure all persons residing in and visiting  
4 the State of California have access to the “988” suicide prevention  
5 and behavioral health crisis hotline and care 24 hours per day,  
6 seven days per week.

7 (b) It is the intent of the Legislature that the 988 system in  
8 California operate as an emergency suicidal, mental health, and  
9 substance use disorder crisis system that provides compassionate,  
10 appropriate, and easily accessible care to reduce unnecessary  
11 hospitalizations and arrests.

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

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

22 (2) By December 31, 2023, the California Health and Human  
23 Services Agency and the Office of Emergency Services will  
24 develop a plan for the statewide coordination of 988, 911, and  
25 county behavioral health crisis services, including mobile crisis  
26 teams. The plan will be based on a five-year implementation plan  
27 that includes a landscape analysis of existing services and describes  
28 how to expand, improve, and link services to fully implement this  
29 act by January 1, 2029.

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

33

34 Article 6.3. Miles Hall Lifeline and Suicide Prevention Act

35

36 53123.1. This article shall be known, and may be cited, as the  
37 “Miles Hall Lifeline and Suicide Prevention Act.”

38 53123.1.5. For purposes of this article, the following definitions  
39 shall apply:

1 (a) “988” means the three-digit telephone number designated  
2 by the Federal Communications Commission for the purpose of  
3 connecting individuals experiencing a mental health crisis with  
4 suicide prevention and mental health crisis counselors, mobile  
5 crisis teams, and crisis receiving and stabilization services and  
6 other behavioral health crisis services through the National Suicide  
7 Prevention Lifeline network.

8 (b) “988 center” means ~~a county operated or county~~  
9 ~~contractor operated center~~, center operating on a county or regional  
10 basis and participating in the National Suicide Prevention Lifeline  
11 network to respond to statewide or regional 988 calls.

12 (c) “Agency” means the California Health and Human Services  
13 Agency.

14 (d) “Behavioral health crisis services” means the continuum of  
15 services to address crisis intervention, crisis stabilization, and crisis  
16 residential treatment needs of those with a mental health or  
17 substance use crisis that are wellness, resiliency, and recovery  
18 oriented. These include, but are not limited to, crisis intervention,  
19 including counseling provided by 988 centers, mobile crisis teams,  
20 and crisis receiving and stabilization services.

21 (e) “Crisis receiving and stabilization services” means facilities  
22 with capacity for diagnosis, initial management, observation, crisis  
23 stabilization, and followup referral services. They include crisis  
24 stabilization units, sobering centers, crisis residential treatment,  
25 peer respite services, and services related to involuntary  
26 commitments under the Lanterman-Petris-Short Act (Part 1  
27 (commencing with Section 5000) of Division 5 of the Welfare and  
28 Institutions Code).

29 (f) “Mobile crisis team” means a jurisdiction-based behavioral  
30 health team, as defined in the American Rescue Plan Act of 2021  
31 (Section 1947(b)(2) of Public Law 117-2). Mobile crisis teams  
32 provide onsite interventions, including deescalation, stabilization,  
33 and referrals to behavioral health and other social services to  
34 individuals who are experiencing a behavioral health crisis.

35 (g) “National Suicide Prevention Lifeline” means the national  
36 network of local crisis hotline centers that provide free and  
37 confidential emergency support to people in suicidal crisis or  
38 emotional distress 24 hours per day, seven days per week via a  
39 toll-free telephone hotline number that receives calls made through  
40 the 988 system. The toll-free telephone number is maintained by

1 the Assistant Secretary for Mental Health and Substance Use under  
2 Section 520E-3 of the Public Health Service Act, Section  
3 290bb-36c of Title 42 of the United States Code.

4 (h) “Office” means the Office of Emergency Services.

5 (i) “Substance Abuse and Mental Health Services  
6 Administration” means that agency of the United States Department  
7 of Health and Human Services.

8 53123.2. (a) No later than July 16, 2022, the Office of  
9 Emergency Services shall ensure that designated 988 centers utilize  
10 technology that allows for transfers between 988 centers, as well  
11 as between 988 centers and 911 public safety answering points.

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

14 (1) Appoint a 988 crisis hotline system director to implement  
15 and oversee the administration coordinating the emergency mental  
16 health crisis response with emergency crisis lines.

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

19 (i) The development of technical and operational standards for  
20 the 988 system that allow for coexistence with California’s 911  
21 system.

22 (ii) The creation of standards for 988 operators to process and  
23 dispatch the necessary mental health response and when to transfer  
24 into the “911” public answering points or points (PSAP), and vice  
25 versa.

26 (B) The board shall meet no less than quarterly until December  
27 31, 2028. Following that date, the board may be disbanded at the  
28 discretion of the office.

29 (c) No later than July 1, 2024, the office shall ensure  
30 interoperability between and across crisis and emergency response  
31 systems used throughout the state, including 911, emergency  
32 services, behavioral health crisis services, and other nonbehavioral  
33 health crisis services. This shall include ensuring interoperability  
34 of telephone calls, texts, chats, and other similar capabilities  
35 consistent with the ~~county’s~~ implementation of Next Generation  
36 911.

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

1 53123.3. (a) No later than July 16, 2022, the California Health  
2 and Human Services Agency shall designate a 988 center or centers  
3 to provide crisis intervention services and crisis care coordination  
4 to individuals accessing 988. Each designated 988 center shall do  
5 all of the following:

6 (1) Meet federal Substance Abuse and Mental Health Services  
7 Administration requirements and national best practices guidelines  
8 for operational and clinical standards, including training  
9 requirements and policies for transferring callers to an appropriate  
10 specialized center, or subnetworks, within or external to, the  
11 National Suicide Prevention Lifeline network.

12 (2) Maintain an active agreement with the administrator of the  
13 National Suicide Prevention Lifeline for participation within the  
14 network.

15 (3) Comply with state technology requirements or guidelines  
16 for the operation of 988.

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

19 (1) Appoint a 988 crisis services director to provide direction  
20 and oversight of the implementation and administration of  
21 behavioral health crisis services accessed through 988.

22 (2) Appoint and convene a state 988 policy advisory group for  
23 purposes of advising the agency on the implementation and  
24 administration of mental health crisis services accessible through  
25 988, including advising on the agency on the creation of the  
26 five-year implementation plan described in subdivision (d).

27 (c) The advisory group described in paragraph (2) of subdivision  
28 (b) shall meet no less than quarterly until December 31, 2028.  
29 Following that date, the advisory group may be disbanded at the  
30 discretion of the agency.

31 (d) (1) No later than December 31, 2023, the agency shall create  
32 a five-year implementation plan for a comprehensive 988 system  
33 that includes the following components:

34 (A) Access to crisis counselors through telephone call, text, and  
35 chat, 24 hours per day, seven days per week.

36 (B) Mobile crisis teams that operate statewide 24 hours per day,  
37 seven days per week, and can respond to individuals in crisis in a  
38 timely manner. Mobile crisis teams shall be able to respond to  
39 clearly articulated suicidal or behavioral health contracts made or  
40 routed to 988 as an alternative to law enforcement unless there is

1 a medical emergency, someone is in immediate danger, or there  
2 is a reported crime where law enforcement is mandated to respond  
3 by state or federal law.

4 (C) Access to crisis receiving and stabilization services.

5 (2) The five-year implementation plan shall include all of the  
6 following:

7 (A) A state governance structure of the 988 system.

8 (B) Standards of care for call centers, mobile crisis teams, and  
9 behavioral health crisis services, including examples of models  
10 across the state that are in accordance with the National Suicide  
11 Hotline Designation Act of 2020, Substance Abuse and Mental  
12 Health Services Administration National Guidelines for Behavioral  
13 Health Crisis Care, and existing parity laws.

14 (C) Metrics for evaluating the 988 system.

15 (D) A framework for local implementation of statewide 988  
16 policies, regulations, and guidelines for the coordination of the  
17 988 crisis response system across 988 call centers, 911, county  
18 behavioral health, public health, first responders, law enforcement  
19 agencies, and other relevant entities. The framework shall stipulate  
20 that any local plans developed must be approved by the state  
21 governing authority and include guidelines on establishing regional  
22 agreements and contracts that appropriately link call centers,  
23 mobile crisis teams, crisis receiving and stabilization centers, and  
24 other relevant county services such as additional call lines and  
25 services.

26 (E) Procedures for determining the annual operating budget for  
27 the purposes of establishing the rate of the 988 surcharge and how  
28 revenue will be dispersed to fund the 988 system consistent with  
29 Section 53123.4.

30 (F) Strategies for ensuring that the 988 crisis response system  
31 is adequately funded, including mechanisms for reimbursement  
32 of behavioral health emergency or crisis response pursuant to  
33 Sections 1374.72 and 1374.721 of the Health and Safety Code,  
34 including, but not limited to:

35 (i) Seeking to maximize all available federal funding sources  
36 for the purposes of 988 implementation, including federal Medicaid  
37 reimbursement for services; federal Medicaid reimbursement for  
38 administrative expenses, including the development and  
39 maintenance of information technology to support the 988 system

1 and crisis services; and federal grants, including the funding of  
2 mental health crisis services.

3 (ii) Coordinating with the Department of Insurance and  
4 Department of Managed Health Care to ensure efficient and timely  
5 reimbursement to counties for medically necessary crisis  
6 intervention, mobile crisis, crisis receiving and stabilization, and  
7 crisis residential services by health care service plans and disability  
8 insurers, pursuant to Section 1374.72 of the Health and Safety  
9 Code and Section 10144.5 of the Insurance Code and consistent  
10 with the requirements of the federal Mental Health Parity and  
11 Addiction Equity Act of 2008 (29 U.S.C. Sec. 1185a).

12 53123.4. (a) The 988 State Mental Health and Crisis Services  
13 Special Fund is hereby established in the State Treasury.

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

15 (1) Revenue generated by the 988 surcharge assessed on users  
16 under Section 41020 of the Revenue and Taxation Code, which  
17 revenue shall be used solely for the operations of the 988 center  
18 and mobile crisis teams.

19 (2) Appropriations made by the Legislature.

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

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

22 (5) Money from any other source that is deposited in or  
23 transferred to the fund.

24 (c) Notwithstanding Section 11754 of the Health and Safety  
25 Code, federal funds payable directly to the state by the Substance  
26 Abuse and Mental Health Services Administration to implement  
27 988 may be made directly to the fund.

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

29 (1) Money shall not revert at the end of any fiscal year and shall  
30 remain available for the purposes of the fund in subsequent state  
31 fiscal years.

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

35 (3) Money in the fund shall be available, upon appropriation by  
36 the Legislature, for the purposes specified in this article.

37 (e) (1) All revenue generated by the 988 surcharge assessed on  
38 users under Section 41020 of the Revenue and Taxation Code shall  
39 only be expended the operations of the 988 center and mobile crisis  
40 teams.

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

3 (A) First, the 988 centers, including the efficient and effective  
4 routing of telephone calls, personnel, and the provision of acute  
5 mental health services through telephone call, text, and chat to the  
6 988 number.

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

8 (3) The revenue generated by the 988 surcharge shall be used  
9 to supplement and not supplant federal, state, and local funding  
10 for mobile crisis services and crisis receiving and stabilization  
11 services as calculated in the 2019–20 fiscal year.

12 (4) The revenue generated by the 988 surcharge may only be  
13 used to fund service and operation expenses that are not  
14 reimbursable through federal Medicaid match, Medicare, health  
15 care service plans, or disability insurers.

16 (f) The Office of Emergency Services may adopt regulations  
17 regarding the process for counties to receive funds.

18 (g) The office shall require an entity seeking funds available  
19 through the 988 State Mental Health and Crisis Services Special  
20 Fund to annually file an expenditure and outcomes report with  
21 information including, but not limited to, the following, as  
22 applicable to each modality, including call center, mobile crisis  
23 services, and crisis receiving and stabilization services:

24 (1) The total budget, by fund source.

25 (2) Number and job classification of personnel allocated to each  
26 modality.

27 (3) The number of individuals served.

28 (4) The outcomes for individuals served.

29 (5) The health coverage status of individuals served, if known.

30 (6) The amount billed to and reimbursed by Medi-Cal or other  
31 public and private health care service plans or insurers.

32 (7) Measures of system performance, including capacity, wait  
33 time, and the ability to meet demand for services.

34 (h) The State Treasurer shall report annually to the office on  
35 fund deposits and expenditures.

36 SEC. 3. Section 41007.2 of the Revenue and Taxation Code  
37 is amended to read:

38 41007.2. (a) “Wireline communications service” shall mean  
39 a local exchange service provided at a physical location in this

1 state that allows the user to make an outbound communication to  
2 the 911 emergency communications or 988 crisis hotline.

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

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

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

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

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

20 SEC. 4. Section 41007.3 of the Revenue and Taxation Code  
21 is amended to read:

22 41007.3. (a) “Wireless communications service line” shall  
23 mean a telecommunications service provided to an end user with  
24 a place of primary use in this state that allows the end user to make  
25 an outbound communication to the 911 emergency communications  
26 system. A wireless communications service line shall not include  
27 prepaid mobile telephony service.

28 (b) For the purposes of the surcharge imposed by Chapter 2  
29 (commencing with Section 41020), not more than one surcharge  
30 may be imposed per wireless communications service line number  
31 assigned to an end user of mobile telecommunications service.

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

33 (d) Commencing January 1, 2023, the definition shall include  
34 a local exchange service provided at a physical location in this  
35 state that allows the user to make an outbound communication to  
36 the 988 crisis hotline as defined in the Miles Hall Lifeline and  
37 Suicide Prevention Act (Article 6.3 (commencing with Section  
38 53123.1) of Chapter 1 of Part 1 of Division 2 of Title 5 of the  
39 Government Code).

1 SEC. 5. Section 41013 of the Revenue and Taxation Code is  
2 amended to read:

3 41013. “Surcharge” means a tax or taxes levied by this state.  
4 “Surcharge,” or “surcharges” as used in this part, refers to two  
5 separate charges, one related to 911 service and one related to 988  
6 service.

7 SEC. 6. The heading of Chapter 2 (commencing with Section  
8 41020) of Part 20 of Division 2 of the Revenue and Taxation Code  
9 is amended to read:

10  
11 **Chapter 2. The Surcharges**

12  
13 SEC. 7. The heading of Article 1 (commencing with Section  
14 41020) of Chapter 2 of Part 20 of Division 2 of the Revenue and  
15 Taxation Code is amended to read:

16  
17 **Article 1. Imposition of the Surcharges**

18  
19 SEC. 8. Section 41020 of the Revenue and Taxation Code is  
20 amended to read:

21 41020. (a) (1) (A) On and after January 1, 2020, a 911  
22 surcharge is hereby imposed on each access line for each month  
23 or part thereof for which a service user subscribes with a service  
24 supplier, at an amount determined under Article 2 (commencing  
25 with Section 41030). Beginning January 1, 2023, a separate 988  
26 surcharge is hereby imposed on each access line for each month  
27 or part thereof for which a service user subscribes with a service  
28 supplier, at an amount determined under Article 2 (commencing  
29 with Section 41030).

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

32 (2) On and after January 1, 2020, the purchase of prepaid mobile  
33 telephony services in this state shall be subject to a surcharge set  
34 forth under Article 2 (commencing with Section 41030). The  
35 surcharge shall be paid by the prepaid consumer in accordance  
36 with Section 41028 and remitted and administered in accordance  
37 with this part. Beginning January 1, 2023, a separate 988 surcharge  
38 is hereby imposed on the purchase of prepaid mobile telephony  
39 services, at an amount determined under Article 2 (commencing  
40 with Section 41030).

1 (b) The surcharges imposed shall not apply to either of the  
2 following:

3 (1) In accordance with the Mobile Telecommunications Sourcing  
4 Act (Public Law 106-252), which is incorporated herein by  
5 reference, to any charges for mobile telecommunications services  
6 billed to a customer where those services are provided, or deemed  
7 provided, to a customer whose place of primary use is outside this  
8 state. Mobile telecommunications services shall be deemed  
9 provided by a customer's home service provider to the customer  
10 if those services are provided in a taxing jurisdiction to the  
11 customer, and the charges for those services are billed by or for  
12 the customer's home service provider.

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

16 (c) For purposes of this section:

17 (1) "Charges for mobile telecommunications services" means  
18 any charge for, or associated with, the provision of commercial  
19 mobile radio service, as defined in Section 20.3 of Title 47 of the  
20 Code of Federal Regulations, as in effect on June 1, 1999, or any  
21 charge for, or associated with, a service provided as an adjunct to  
22 a commercial mobile radio service, that is billed to the customer  
23 by or for the customer's home service provider, regardless of  
24 whether individual transmissions originate or terminate within the  
25 licensed service area of the home service provider.

26 (2) "Customer" means (A) the person or entity that contracts  
27 with the home service provider for mobile telecommunications  
28 services, or with a VoIP service provider for VoIP service, or (B)  
29 if the end user of mobile telecommunications services or VoIP  
30 service is not the contracting party, the end user of the mobile  
31 telecommunications service or VoIP service. This paragraph applies  
32 only for the purpose of determining the place of primary use. The  
33 term "customer" does not include (A) a reseller of mobile  
34 telecommunications service or VoIP communication service, or  
35 (B) a serving carrier under an arrangement to serve the mobile  
36 customer outside the home service provider's licensed service  
37 area.

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

1 (4) “Licensed service area” means the geographic area in which  
2 the home service provider is authorized by law or contract to  
3 provide commercial mobile radio service to the customer.

4 (5) “Mobile telecommunications service” means commercial  
5 mobile radio service, as defined in Section 20.3 of Title 47 of the  
6 Code of Federal Regulations, as in effect on June 1, 1999.

7 (6) “Place of primary use” means the street address  
8 representative of where the customer’s use of the mobile  
9 telecommunications service or VoIP service primarily occurs, that  
10 must be:

11 (A) The residential street address or the primary business street  
12 address of the customer.

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

15 (7) (A) “Reseller” means a provider who purchases  
16 telecommunications services or VoIP service from another  
17 telecommunications service provider or VoIP service and then  
18 resells the services, or uses the services as a component part of,  
19 or integrates the purchased services into, a mobile  
20 telecommunications service or VoIP service.

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

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

27 (9) “Taxing jurisdiction” means any of the several states, the  
28 District of Columbia, or any territory or possession of the United  
29 States, any municipality, city, county, township, parish,  
30 transportation district, or assessment jurisdiction, or any other  
31 political subdivision within the territorial limits of the United States  
32 with the authority to impose a tax, charge, or fee.

33 (10) “VoIP service provider” means that provider of VoIP  
34 service with whom the end user customer contracts for the  
35 provision of VoIP services for the customer’s own use and not for  
36 resale.

37 SEC. 9. Section 41021 of the Revenue and Taxation Code is  
38 amended to read:

39 41021. (a) A service supplier shall collect the surcharges from  
40 each service user at the time it collects its billings from the service

1 user. The duty to collect the surcharge from a service user shall  
2 commence with the beginning of the first regular billing period  
3 applicable to that person which starts on or after the operative date  
4 of the surcharge imposed by this part. If the stations or lines of  
5 more than one service supplier are utilized in furnishing the  
6 telephone communication services to the service user, the service  
7 supplier that bills the customer shall collect the surcharge from  
8 the customer.

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

11 SEC. 10. Section 41022 of the Revenue and Taxation Code is  
12 amended to read:

13 41022. (a) The surcharges required to be collected by the  
14 service supplier shall be added to and stated separately in its  
15 billings to the service user.

16 (b) Notwithstanding subdivision (a), a service supplier may  
17 elect to combine the 911 and 988 surcharges into a single-line item  
18 on the service user billing. If the service supplier elects to combine  
19 the surcharges, the combined surcharge shall be labeled as the  
20 “911/988 Surcharge” on the service user’s bill. The service supplier  
21 shall remit the combined surcharges to the department in separate  
22 amounts for each surcharge on forms prescribed by the department.

23 SEC. 11. Section 41023 of the Revenue and Taxation Code is  
24 amended to read:

25 41023. The surcharges required to be collected by the service  
26 supplier, and any amount unreturned to the service user that is not  
27 a surcharge but was collected from the service user as representing  
28 a surcharge, constitute debts owed by the service supplier to this  
29 state.

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

1 SEC. 12. Section 41024 of the Revenue and Taxation Code is  
2 amended to read:

3 41024. Every service user in this state is liable for the  
4 surcharges until it has been paid to this state, except that payment  
5 to a service supplier registered under this part is sufficient to relieve  
6 the user from further liability for the surcharge.

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

18 SEC. 13. Section 41028 of the Revenue and Taxation Code is  
19 amended to read:

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

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

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

1 department in separate amounts for each surcharge on forms  
2 prescribed by the department.

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

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

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

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

37 (d) A seller is relieved from liability to collect the surcharge  
38 imposed by this part that became due and payable, insofar as the  
39 base upon which the surcharge is imposed is represented by  
40 accounts that have been found to be worthless and charged off for

1 income tax purposes by the seller or, if the seller is not required  
2 to file income tax returns, charged off in accordance with generally  
3 accepted accounting principles. A seller that has previously paid  
4 the surcharge may, under rules and regulations prescribed by the  
5 department take as a deduction on its return the amount found  
6 worthless and charged off by the seller. If any such accounts are  
7 thereafter in whole or in part collected by the seller, the amount  
8 so collected shall be included in the first return filed after such  
9 collection and the surcharge shall be paid with the return.

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

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

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

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

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

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

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

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

1 (g) Notwithstanding Article 1.1 (commencing with Section  
 2 41060) of Chapter 4, any seller, except a service supplier, required,  
 3 or that elects, to remit amounts due under Part 1 (commencing  
 4 with Section 6001) by electronic funds transfer pursuant to Article  
 5 1.2 (commencing with Section 6479.3) of Chapter 5 of Part 1 shall  
 6 remit the surcharge upon prepaid mobile telephony service amounts  
 7 due under this section by electronic funds transfer.

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

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

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

16 SEC. 14. The heading of Article 2 (commencing with Section  
 17 41030) of Chapter 2 of Part 20 of Division 2 of the Revenue and  
 18 Taxation Code is amended to read:

19

20 Article 2. Adjustment of Surcharge Amounts

21

22 SEC. 15. Section 41030 of the Revenue and Taxation Code is  
 23 amended to read:

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

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

35 (1) The 911 costs approved pursuant to Article 6 (commencing  
 36 with Section 53100) of Chapter 1 of Part 1 of Division 2 of Title  
 37 5 of the Government Code, less the available balance in the State  
 38 Emergency Telephone Number Account in the General Fund, by  
 39 its estimate of the number of access lines to which the surcharge  
 40 will apply per month for the period of January 1 to December 31,

1 inclusive, of the next succeeding calendar year, but in no event  
2 shall the surcharge amount in any month be greater than eighty  
3 cents (\$0.80) per access line per month.

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

6 (3) For the year beginning January 1, 2025, and each calendar  
7 year thereafter, the 988 surcharge shall be determined by dividing  
8 the 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 Crisis Services Special Fund, by the Office of  
12 Emergency Services' estimate of the number of access lines to  
13 which the surcharge will apply per month for the period of January  
14 1 to December 31, inclusive, of the next succeeding calendar year,  
15 but in no event shall the surcharge amount in any month be greater  
16 than thirty cents (\$0.30) per access line per month.

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

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

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

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

39 (e) The office shall perform a validation of the number of access  
40 lines using subscription data or other comparable data collected

1 by appropriate federal or state agencies. This subscription data or  
2 other comparable data shall be used to validate the access line data  
3 required to be reported by service suppliers in subdivision (d).

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

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

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

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

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

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

23 (C) The rationale for adjustment to the surcharge determined  
24 pursuant to subdivision (b), including, but not limited to, all  
25 impacts from the surcharge collected pursuant to Part 21  
26 (commencing with Section 42001).

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

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

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

36 SEC. 16. Section 41031 of the Revenue and Taxation Code is  
37 amended to read:

38 41031. The Office of Emergency Services shall make its  
39 determination of the surcharge amounts each year no later than  
40 October 1 and shall notify the department of the new amounts

1 which shall be effective with respect to access lines and the  
2 purchase of prepaid mobile telephony services on or after January  
3 1 of the next succeeding calendar year.

4 SEC. 17. Section 41032 of the Revenue and Taxation Code is  
5 amended to read:

6 41032. Immediately upon notification by the Office of  
7 Emergency Services, the department shall notify every service  
8 supplier and seller registered with it of the new amounts by a means  
9 determined by the department that may include, but is not limited  
10 to, mail, electronic mail, or internet website postings.

11 SEC. 18. Section 41046 of the Revenue and Taxation Code is  
12 amended to read:

13 41046. (a) There are exempt from the surcharges the following  
14 access lines and nonaccess line services:

15 (1) Those lines supplying lifeline service.

16 (2) Those lines connected to public telephones.

17 (3) Those lines for which no charges are billed by a service  
18 supplier to a service user.

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

20 SEC. 19. Section 41050 of the Revenue and Taxation Code is  
21 amended to read:

22 41050. (a) The surcharges imposed by subparagraph (A) of  
23 paragraph (1) of subdivision (a) of Section 41020 are imposed to  
24 each access line for which a service user has subscribed in any  
25 calendar month, whether or not the subscription covered all or part  
26 of any month.

27 (b) If a service user subscribes for service with one service  
28 supplier for a portion of a month and then subscribes for service  
29 with another service supplier for the remainder of the same month,  
30 the service user is liable for the surcharge to each of the access  
31 lines for which the service user has subscribed with the service  
32 supplier.

33 SEC. 20. Section 41098 of the Revenue and Taxation Code is  
34 amended to read:

35 41098. (a) If the department finds that a person's failure to  
36 make a timely return or payment is due to the person's reasonable  
37 reliance on written advice from the department, the person may  
38 be relieved of the surcharges imposed by this part and any penalty  
39 or interest added thereto.

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

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

10 (2) The department responded in writing to the person regarding  
 11 the written request for advice, stating whether or not the described  
 12 activity or transaction is subject to the surcharges, or stating the  
 13 conditions under which the activity or transaction is subject to the  
 14 surcharges.

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

17 (A) Before the department rescinded or modified the advice so  
 18 given, by sending written notice to the person of rescinded or  
 19 modified advice.

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

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

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

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

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

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

32 SEC. 21. Section 41100 of the Revenue and Taxation Code is  
 33 amended to read:

34 41100. If the department determines that any amount, penalty,  
 35 or interest has been paid more than once or has been erroneously  
 36 or illegally collected or computed, the department shall set forth  
 37 that fact in the records of the department, certify the amount  
 38 collected in excess of the amount legally due and the person from  
 39 whom it was collected or by whom paid, and credit the excess  
 40 amount collected or paid on any amounts then due and payable

1 from the person from whom the excess amount was collected or  
2 by whom it was paid under this part, and the balance shall be  
3 refunded to the person, or their successors, administrators, or  
4 executors. Any proposed determination by the department pursuant  
5 to this section with respect to an amount in excess of fifty thousand  
6 dollars (\$50,000) shall be available as a public record for at least  
7 10 days prior to the effective date of that determination.

8 Any overpayment of a surcharge by a service user to a service  
9 supplier or by a prepaid consumer to a seller who is required to  
10 collect the surcharge shall be credited or refunded by the state to  
11 the service user. However, if the service supplier or seller has paid  
12 the amount to the department and establishes to the satisfaction of  
13 the department that it has not collected the amount from the service  
14 user or has refunded the amount to the service user, the  
15 overpayment may be credited or refunded by the state to the service  
16 supplier.

17 SEC. 22. Section 41128 of the Revenue and Taxation Code is  
18 amended to read:

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

26 SEC. 23. 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 to the  
32 State Treasurer to be deposited in the State Treasury to either the  
33 credit of the State Emergency Telephone Number Account in the  
34 General Fund, or the 988 State Mental Health and Crisis Services  
35 Special Fund, depending on the apportionment of the surcharge  
36 arising from the 911 emergency communication system or the 988  
37 crisis hotline.

38 (b) The department, in consultation with the Office of  
39 Emergency Services, may adopt regulations to implement the  
40 apportionment of the surcharge.

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

3 SEC. 24. Section 41136 of the Revenue and Taxation Code is  
4 amended to read:

5 41136. (a) From the funds in the State Emergency Telephone  
6 Number Account, all amounts of the surcharge collected shall,  
7 when appropriated by the Legislature, be spent solely for the  
8 following purposes:

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

10 (2) To pay the department for the cost of the administration of  
11 this part.

12 (3) To pay the Office of Emergency Services for its costs in  
13 administration of the “911” emergency telephone number system.

14 (4) To pay bills submitted to the Office of Emergency Services  
15 by service suppliers or communications equipment companies for  
16 the installation of, and ongoing expenses for, the following  
17 communications services supplied to local agencies in connection  
18 with the “911” emergency phone number system:

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

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

26 (C) A system employing automatic call routing.

27 (D) Approved incremental costs.

28 (5) To pay claims of local agencies for approved incremental  
29 costs, not previously compensated for by another governmental  
30 agency.

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

37 (A) A basic system, defined as 911 systems, including, but not  
38 limited to, Next Generation 911, and the subsequent technologies,  
39 and interfaces needed to deliver 911 voice and data information  
40 from the 911 caller to the emergency responder and the subsequent

1 technologies, and interfaces needed to send information, including,  
2 but not limited to, alerts and warnings, to potential 911 callers.

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

4 (C) A system employing automatic call routing.

5 (D) Approved incremental costs. Incremental costs shall not be  
6 allowed unless the costs are concurred in by the Office of  
7 Emergency Services.

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

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

15 (B) To pay the department for the cost of the administration of  
16 this part.

17 (C) To pay the Office of Emergency Services for its costs in  
18 administration of the 988 crisis hotline.

19 (2) The remainder of the revenue shall be disbursed to the Office  
20 of Emergency Services for the purposes identified in Section  
21 53123.4 of the Government Code.

22 SEC. 25. Section 41150 of the Revenue and Taxation Code is  
23 amended to read:

24 41150. (a) The Legislature hereby declares and finds that to  
25 enable public agencies to implement “911” emergency phone  
26 systems required by the provisions of Chapter 1005 of the 1972  
27 Regular Session (Article 6 (commencing with Section 53100) of  
28 Chapter 1 of Part 1 of Division 2 of Title 5 of the Government  
29 Code) it is necessary that a surcharge be imposed upon each access  
30 line in the state and upon the purchase of prepaid mobile telephony  
31 services in this state for access to the 911 emergency  
32 communication system. This act will provide funding for basic  
33 911, as defined in Section 41136, and the technology and interfaces  
34 needed to deliver 911 voice and data information from the 911  
35 caller to the emergency responder and the subsequent technologies,  
36 and interfaces needed to send information, including, but not  
37 limited to, alerts and warnings, to potential 911 callers. In addition,  
38 this part will provide funding for incremental costs.

39 (b) The Legislature hereby finds and declares that to enable  
40 public agencies to implement the 988 hotline required by the

1 provisions of the Miles Hall Lifeline and Suicide Prevention Act  
 2 (Article 6.3 (commencing with Section 53123.1) of Chapter 1 of  
 3 Part 1 of Division 2 of Title 5 of the Government Code) it is  
 4 necessary that a surcharge be imposed upon access lines purchased  
 5 by every person in the state for access to the 988 crisis hotline.  
 6 This act, as amended by the act adding this subdivision, will  
 7 provide funding, in part, for 988 centers operated by ~~counties and~~  
 8 ~~mobile crisis teams and crisis receiving and stabilization services-~~  
 9 ~~teams.~~

10 SEC. 26. (a) The sum of eight million thirty-five thousand  
 11 seven hundred dollars (\$8,035,700) is hereby appropriated from  
 12 the General Fund to the 988 State Mental Health and Crisis  
 13 Services Special Fund, as established in Section 2 of this act.

14 (b) The sum appropriated in subdivision (a) shall be used for  
 15 the following purposes:

16 (1) To cover the state's first year of administrative costs in  
 17 implementing Section 2 of this act.

18 (2) To fund designated 988 centers to support the first year of  
 19 their implementation of the 988 system.

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

29 ~~However, if the Commission on State Mandates determines that~~  
 30 ~~this act contains other costs mandated by the state, reimbursement~~  
 31 ~~to local agencies and school districts for those costs shall be made~~  
 32 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
 33 ~~4 of Title 2 of the Government Code.~~

34 *SEC. 27. No reimbursement is required by this act pursuant*  
 35 *to Section 6 of Article XIII B of the California Constitution because*  
 36 *the only costs that may be incurred by a local agency or school*  
 37 *district will be incurred because this act creates a new crime or*  
 38 *infraction, eliminates a crime or infraction, or changes the penalty*  
 39 *for a crime or infraction, within the meaning of Section 17556 of*  
 40 *the Government Code, or changes the definition of a crime within*

1 *the meaning of Section 6 of Article XIII B of the California*  
2 *Constitution.*

3 SEC. 28. This act is an urgency statute necessary for the  
4 immediate preservation of the public peace, health, or safety within  
5 the meaning of Article IV of the California Constitution and shall  
6 go into immediate effect. The facts constituting the necessity are:

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

O