

2009 HOUSE POLITICAL SUBDIVISIONS

HB 1412

2009 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1412

House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: February 12, 2009

Recorder Job Number: 9342

Committee Clerk Signature



Minutes:

Chairman Wrangham: opened the hearing on HB 1412.

Rep. Brandenburg: Introduced the bill. During the interim committee things came up about emergency management and how we are going to fund it. That is why this bill was introduced.

What the bill would do is deal with emergency management services and allows an appeal of this section. The underlined section on page 2 read line 15 - 22. We put a fee on 911 services. Now some counties have more cell phones and some have less so the less populated counties have less. If the people want the services they will pay for it. That is why this bill came.

Rep. Klemin: does this only apply to the 911 fees?

Rep. Brandenburg: As I understand it it applies to emergency management. I believe it does.

Greg Wilz: Deputy Director, Department of Emergency Services: (see testimony #1).

Rep. Conrad: I have a cabin in Grant County and a home in Ward County. Should I get my phone in Grant County where they have a \$1 instead of Ward County where it is \$2?

Greg Wilz: You have a phone at the cabin and pay a \$1 and I have a phone in Ward County and pay \$1.

Rep. Conrad: Under this bill; each county couldn't change their phone. So I could run my cell phone through my lake cabin phone and they would be \$1 in Grant County so they would not charge as much as maybe Ward County.

Greg Wilz: I think we are getting at a solution to allow locals to fund and make operational programs that need our assistance. My son has a cell phone. He bought it in Bismarck; he lives in Dickinson; his dollar is going to Bismarck. You have the ability when you sign up for that phone to put a fiscal down basically where you want that \$1 to go. There is some issue and ways around it. This bill is giving the locals the ability to say if you want it vote for it.

Chairman Wrangham: So there could be a different fee from county to county?

Greg Wilz: That is correct.

Rep. Koppelman: Are we all at \$1 now?

Greg Wilz: that is correct. One county last summer lowered it to .50 cents based on a commission move that was ill advised. Now they have raised it back up to that \$1.

Rep. Koppelman: Why was this not covered in the Governor's budget? How does this come in the pecking order?

Greg Wilz: The Public Safety Committee looked at all things in terms of 911, emergency management funds. They looked at it all. Neither the Public Safety Committee nor the task force they put together recommends any language that would allow them to sponsor a bill specifically for 911. It is really not a state issue. I support this bill because I see the things that the counties are in trying to sustain local programs. This is a local issue. I believe the 911 Association outside the government that has brought this thing forward. Rep.

Brandenburg and others have brought this forward. This is a localize issue and we get nothing out of it. This is a fee that budget programs and already have to take money out of general fund budgets to fund this program.

Rep. Koppelman: One of the issues we dealt with before with regard to the 911 \$1 fees is how they are billed. The track phone people had heart burn over it because they don't bill monthly like the cell phone does. If you compound that with having a potential patchwork of 53 different fee structures, how do those phone providers do their bills?

Greg Wilz: We have been in contact with the various phone companies.

Rep. Hatlestad: You said 22 of your PSAP go through state radio.

Greg Wilz: No about 22 counties use state radio as their public safety answering program and then pay us a fee.

Rep. Hatlestad: If 15 of those counties raise their fees and seven don't; do the seven not get as much service from you?

Greg Wilz: No they get the same service. The counties are responsible for being sure their fees cover their programs. If they don't I don't know what we do. Does the state keep off setting those dollars? That is why you see the increase from the state right now is because of the fact that they have been doing that over the last number of years.

Terry Traynor, NDACo. Assistant Director, ND Assoc. of Counties: (see testimony #2).

Rep. Klemin: does this also come under the reverse 911 program.

Terry Traynor: That is allowable.

Gary Kostelecky on behalf of Brent Nelson: 911 Coordinator for the Stark and Dunn County: (see testimony #3).

Sheri Gartner: LaMoure County Director of Emergency Services: (see testimony #4).

Lynn Brackel, Bowman Co. Commissioner: (handed out Karla Garmann testimony #4).

There was a statement of why Grant County was more than Ward County. In Bowman-Slope County they had to add five stations for emergency services. The state radio changed their operating system and we did not get the coverage that we had in the past so all the different

counties have different needs and that is why you are going to see a difference in the \$1 amount by different counties. Bowman County does not meet the need for mill levy tax on property owners by county commissioners if they should add another mill to the property taxes. This needs to be a user fee for people who are using the cell phone and the landline need to be charge accordingly. A landline owner pays and additional tax but a cell phone user does not pay anything additional. It needs to be a user fee.

Opposition: None

Neutral Testimony: None

Chairman Wrangham: We have heard a lot about universal 911 service covering the whole state and money for towers and money for many different things for universal 911 systems and this doesn't seem to be universal; this seems to be going the other way. Maybe even costing more from one part of the state to another. Can you enlighten me a little bit?

Greg Wilz: It appears while we are allowing the counties to generate additional dollars; we will continue to have this divide of 911. These moneys that are generated right now are money that provides a local ability to have 911. The public safety answers phones we talked about in that other bill. Those are all things that will happen over time, but at some level the local ability to sustain a 911 program is always going to be there. It is the local things that have to be done at the county level. I would submit to you that this model change will be obsolete and we will have to change and find a new money model for 911. It is just evolution.

Rep. Conrad: Maybe we should have this as a study?

Greg Wilz: Yes we should have a study and it failed. I will tell you there has been an attempt to reintroduce an authorization for a study because it is important.

Hearing closed.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1412

House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: February 12, 2009

Recorder Job Number: 9420

Committee Clerk Signature



Minutes:

Chairman Wrangham: reopened hearing on HB 1412.

Do Pass Motion Made By Rep. Klemin: Seconded By Rep. Conrad:

Discussion:

Rep. Nancy Johnson: this bill was on the increase on the 911 fees.

Rep. Klemin: I think in the testimony the \$1 maximum was statewide and the local voters will have to decide if they need to increase fees in their area or not. I think we should let them do that unless they don't want 911 services.

Chairman Wrangham: Once established by this section the maximum fee maybe increased, decreased or eliminated by a majority vote of the electors. Why did I have that highlighted? I think so much money has gone into the universal fund, the wireless fund; I think they should be helping out these locals PSAPS more than they are.

Rep. Jerry Kelsh: This probably doesn't affect the local PSAPS as much as it does the locals. It is going to state radio so there is nothing to run the local 911.

Chairman Wrangham: What happened to the surplus of money they had two years ago? I am surprised these services aren't socialized more.

Do Pass As Amended roll

Vote: 11 Yes 1 No 1 Absent Carrier: Rep. Jerry Kelsh

Hearing closed.

Date: 2/12/09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1312

HOUSE POLITICAL SUBS COMMITTEE

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP DNP DP AS AMEND DNP AS AMEND

Motion Made By Rep. Klemin Seconded By Rep. Conrad

Representatives	Yes	No	Representatives	Yes	No
Ch. Wrangham		✓	Rep. Conrad	✓	
Vice Chair Rep. Headland	✓		Rep. Kelsh	✓	
Rep. Hatlestad	✓		Rep. Kilichowski	✓	
Rep. N. Johnson	✓		Rep. Mock	✓	
Rep. Klemin	✓		Rep. Zaiser	✓	
Rep. Koppelman	0				
Rep. Kretschmar	✓				
Rep. Pietsch	✓				

Total (Yes) 11 No 1

Absent 1

Floor Carrier: Rep. Kelsh

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1412: Political Subdivisions Committee (Rep. Wrangham, Chairman) recommends **DO PASS** (11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1412 was placed on the Eleventh order on the calendar.

2009 SENATE FINANCE AND TAXATION

HB 1412

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1412

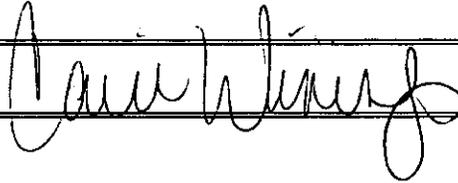
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 03/23/2009

Recorder Job Number: 11377

Committee Clerk Signature



Minutes:

Chairman Cook: Opened the hearing on HB 1412.

Representative Mike Brandenburg, District 28: testified as sponsor and in support of HB 1412 relating to the fee imposed for emergency services communications. He explained the bill. A lot of emergency management people out in the rural counties are having a tough time running their program. What this bill does is allow by the vote of the people in the next election to be able to have county commissioner set up what type of increase in fee they would need to run the program. It would let the people decide. This is a bipartisan bill. We just want to figure out a way to do this.

2.45 Chairman Cook: I see that the question may be placed on the ballet of the general, primary or special election.

Rep. Brandenburg: Yes, Mr. Chairman.

Chairman Cook: Do you have any problems if it is just placed on a general?

Representative Brandenburg: I would not have a problem with that.

Senator Oehlke: Where does that fee get applied if they purchase that cell phone somewhere else?

Representative Brandenburg: You would think that it would go to the correct county, but some of them are not getting back to the smaller counties.

Senator Oehlke: In the second part of that, there may be lower populated counties that don't even have a vendor that sells cell phones. They have to come to a major city to buy a cell phone. Does it say what county it goes to on your bill?

Representative Brandenburg: The provider is supposed to make sure that it gets to the correct place, but sometimes it doesn't. People are starting to make sure.

7.15 Representative Jerry Kelsh, District 26: Testified as a sponsor and in support of the bill.

7.50 Chairman Cook: You are saying that \$1 per cell phone a month in some of these counties doesn't raise enough fees necessary to pay for state radio?

Representative Kelsh: The dollar does but some of the fees are kept for the billing and part goes to counties to keep the system going on 911 and with the state radio going to 38 cents it is going to make it very difficult.

8.40 Mike Lynk, Director of State Radio: See Attachments #1 and #2 for testimony in support of the bill to bring local control back to the local jurisdictions so they can raise the fees as they see fit.

13.47 Chairman Cook: We have 22 counties out there served by the state and it is not working?

Mike Lynk: Yes it is working but the people are demanding the 911 24/7 services.

Chairman Cook: They have 24/7 now?

Mike Lynk: Yes, but as we see fees go down some of these other counties may be reducing the services that they provide or the times that they provide those services.

Chairman Cook: Counties that are not with the state system?

Mike Lynk: Yes.

Vice Chairman Miller: How is the dollar assessed? If you have a family or shared plan is that per phone or plan?

Mike Lynk: I am not sure how that is assessed on the bill.

Chairman Cook: I believe it is every phone.

Vice Chairman Miller: Is there a fee when you have to place a call?

Mike Lynk: I believe it is just the fee per month on the monthly billing.

Senator Hogue: Is there any part of the state without enhanced 911?

Mike Lynk: Yes there are areas that do not have it. Mr. Traynor could answer that.

Senator Triplett: I see on attachment #2, I see that the fees are going to increase; can you tell us is it the 20 cents that is going up to 38 cents?

Mike Lynk: This fee is set by the ECCC committee. I am not sure exactly where that fee comes from and what it will be increasing to. Terry Traynor will answer that.

Senator Dotzenrod: In attachment #2, is there any one of these four that are experiencing more trouble?

Mike Lynk: Our real concern is on the wireless side. As people are increasingly getting rid of their land lines and going to cell phones the county 911 services are losing money as reflected in the chart. That is really where we have a problem, however they need to raise the fees to support their program.

Chairman Cook: Are you sure you don't have wireless and landline turned around?

Mike Lynk: You are correct.

Vice Chairman Miller: What is the advantage of having a local 911 service, why don't we have just one state wide service?

Mike Lynk: From history, we have been limited to 22 counties. That is what he knows is the restriction.

Chairman Cook: That restriction doesn't exist today, does it?

Mike Lynk: I believe it still does.

21.25 Terry Traynor, Assistant Director, North Dakota Association of Counties: See Attachment #3 for testimony in support of the bill.

29.15 Chairman Cook: How is the 911 fee collected on pre-paid cell phones?

Terry Traynor: Very poorly. Vonage pays every month and some of the other ones don't pay anything. We don't know if they're our customers.

Chairman Cook: I still don't understand the pre-paid. Are they charging another fee?

Terry Traynor: There are two ways they can calculate that fee: If the phone is activated that month, they are suppose to remit a dollar, or they are suppose to do a 2% on the cost of service they sell.

Senator Triplett: On the third page of your handout, you are showing a huge proportion for signage at 18% and only 1% for signage on non-state radio dispatched counties. What is included in that and why is it so different?

Terry Traynor: That is primarily the 911 street signs. This is a 2007 shot in time. Most of the larger counties have accomplished the signage part. Rural counties are still in the process of signage.

Senator Triplett: They don't have the consistent signage?

Terry Traynor: Correct.

Senator Triplett: When is the increase going to take place and how do they justify nearly 100% increase at one time?

Terry Traynor: They were required to analyze that. The State Auditors determined they were not covering their costs. State law says they are suppose to cover their costs at least to the amount of 20 cents per line. A firm came in and did a study and they recommended a more appropriate level is 38 cents. They are not going to implement the 38 cents until their new budget takes effect.

Chairman Cook: Would the Association of counties be opposed to a bill that would create regional state run 911 centers and have the state collect all of the 911 fees?

Terry Traynor: Historically when the state collects the fees the administration costs go up. The telecommunication tax is a good example. We need the revenue to support the services and every district in the state does have enhanced 911. It is called E 911 which is being able to get the location of the call as well as the voice at the same time. The next generation is moving on to broad band communication in order to get text video crash notification system. That is the next hurdle the counties have to face and that is going to be very costly. The investment will be difficult for the smaller locations and force more consolidation.

Senator Dotzenrod: It looks like this bill does two things. It takes off the dollar limit and removes that and all the reference to six years is removed. Once this is imposed it will continue until the voters put it on the ballet or leadership puts it on the ballet. It looks like there is no expiration date.

Terry Traynor: That is correct.

37.01 **Vice Chairman Miller:** I am wondering if a 911 call is placed in Fargo and all the dispatchers are busy does the call rollover to another center?

Terry Traynor: They can be set up to go to condition 3, which would be the backup location.

It depends on how the communities decided to deal with it.

Senator Hogue: Can the cities use this for a reverse 911?

Terry Traynor: Yes that is an allowable expense. Most of the major ones have done that.

Chairman Cook: We didn't take away the limit on doubling up between a county and a city did we?

Terry Traynor: No we did not.

39.25 **Gary Kostelecky, ND 911 Association** see Attachment # 4 for testimony read by Gary for Brent Nelson, Legislative Committee Chair for ND 911 Association and attachment #5, testimony of Sheri Gartner, Director of Emergency Services for LaMoure County.

42.45 **Chairman Cook:** Any questions?

Senator Dotzenrod: Has there ever been a 911 vote that has gone down in North Dakota?

Gary Kostelecky: No

No Opposing Testimony

No Neutral Testimony

Chairman Cook: Closed the hearing.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1412

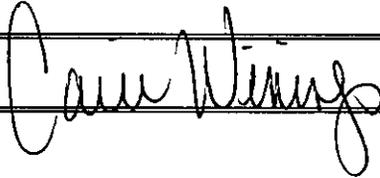
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 03/30/2009

Recorder Job Number: 11557

Committee Clerk Signature



Minutes:

Chairman Cook: Reopened discussion on HB 1412. See Attachment #1 for information important to the bill. Our challenge is to find a way in which prepaid wireless customers have to contribute to 911 services. If I had my way I would turn this into a study resolution.

3.05 **Senator Triplett:** If the legislation of main street fairness act passes what would happen with this?

Chairman Cook: It would not be a mandate. It is language that would say that if a state is part of the streamlined sales tax organization these are some things that collectively they would have to decide to do. The telecom part of this is probably 5 years out. There is still plenty of work for the states to do.

Senator Dotzenrod: If we don't do anything in this session, will there be any problems with them being able to afford to maintain the next two years until next session?

Chairman Cook: No, I believe there are many ways to deliver 911 services and look for more economical ways to deliver. The reverse 911 is an amazing system.

Vice Chairman Miller: I still do not understanding this whole system. It seems pieced together. We need to get it all together and I am not sure what the advantage is of a local system.

Chairman Cook: It is called turf.

Vice Chairman Miller: I think we should remove the tax and find another way to fund it.

Chairman Cook: There are many ideas out there on how to fund this.

Senator Anderson: I don't think that we can make a decision right now. I think it should be studied.

Chairman Cook: It has been studied, but not by the tax division.

Senator Anderson: A lot of it is over my head.

Chairman Cook: If you look at the power point, one of the requirements of compliance with the federal legislation would be central assessment in collection of all 911 fees.

9.20 **Senator Triplett:** I do not have a problem with a study, but I don't know that I want to completely replace the bill. I think there is a problem now that needs some help. Maybe we need to do something in the meantime.

Senator Hogue: I have some e-mails that confirm what Senator Triplett is saying. There are smaller communities that are having a problem paying their fees.

Chairman Cook: So you are talking about counties that use the state 911 service.

Senator Triplett: Yes, I think 38 cents per line state radio is bumping up from 20 cents.

Vice Chairman Miller: Is there a way to appropriate some money to help them out for now?

Chairman Cook: I am going to work on resolution and Senator Triplett if you would like to work on some possible amendments to the bill.

Senator Dotzenrod: There was a resolution to study regionalization of emergency and disaster response capabilities. When he appeared in front of the political sub division committee he was saying that you have those cities that are near each other and there is

homeland security money that each community fights against each other to get the hazardous material money to have their own team. It might be better to have on regional hazardous

material team. His point was the disaster response needs to be regionalized and that is what the study was about. I can see in the future that we could have a 911 response area that would be compliable to a regional emergency and disaster response area. Those could be similar in the way they are set up. There probably is an answer in the future that is a lot different than what is in this bill and that is larger areas that are organized to respond with more resources spread out.

Chairman Cook: That is exactly where I am at.

15.06 **Senator Triplett:** We haven't had fighting in Grand Forks County. They have worked together.

Senator Dotzenrod: I think that what he was talking about is if you have 53 counties in the state you don't need 53 disaster response organizations.

Senator Triplett: I thought you were saying Northwood fighting against other small communities in the area.

Senator Dotzenrod: I think that he was saying that.

Senator Triplett: I think that there is some history in regionalization in bomb squads.

Senator Hogue: I agree with Senator Miller, I am not sure why this started out as a fee for users of the phone. I don't see it any different than any emergency response service. It benefits the public, just like fire and police service. We should look for a way to move away from phone services.

Chairman Cook: It is easy for us since we have funds to do this. Other states would never assume the costs. It wouldn't hurt me to be the only state that didn't have the fee.

Senator Triplett: I think it was simply a way to get around the problem. Tax those that use the service.

Chairman Cook: It became a benefit for those that did have phones. That is what made it a service fee.

Chairman Cook closed the discussion on HB 1412.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1412

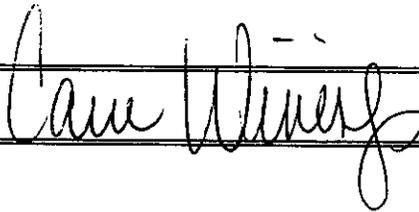
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 04/01/2009

Recorder Job Number: 11595

Committee Clerk Signature



Minutes:

Chairman Cook: Reopened discussion on HB 1412 relating to the fee imposed for emergency services communications. See Attachment #1 for amendments proposed.

Senator Oehlke: My 911 area in our region doesn't seem to have a problem with funding. With the level of landlines depleting the funding for the services becomes less and less and may have problems in the future.

Chairman Cook: I would suggest we either kill the bill or put a study on it.

Vice Chairman Miller: To recap, the problem with wireless phones, 38 cents goes to the Association of Counties to handle the software issues and how to make the wireless work with the 911 system. The budget shortfalls seem to be around \$6000 and that is minuscule and could be made up by the counties. I would prefer to kill the bill.

Senator Anderson: I agree it is miniscule but I don't think this fairness issue is going to go away.

Vice Chairman Miller: The solution is we have to find a different system for 911.

Senator Triplett: Then you should be in favor of studying it.

Vice Chairman Miller: The amendments fine but I don't just want to study the tax policy but I would like to study the whole system. I would support the amendment.

Chairman Cook: The only issue with killing the bill is that we won't go to conference committee, but I think it has enough merit in it to study it and go to conference committee.

Senator Triplett: Who requested this amendment, because I think the language needs a little better language.

Chairman Cook: I did. So instead of structure we have the revenue stream, revenue tax structure.

Senator Triplett: That would work. Maybe revenue would be better than tax and fee structure.

Chairman Cook: Or just the fee structure. Maybe we should add another line that talks about fairness, lost revenue.

Discussion: The committee discussed the language that should be in the amendment. They will work on language and bring it back to committee.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1412

Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 04/01/2009

Recorder Job Number: 11602

Committee Clerk Signature

Care Winick

Minutes:

Chairman Cook: Reopened discussion on HB 1412. See attachment #1 for amendments.

Vice Chairman Miller: Moved the amendments to turn into a study resolution.

Senator Triplett: Seconded.

Chairman Cook: Discussion?

A voice vote was taken: Yea 7, Nay 0, Absent 0.

Motion passed.

Vice Chairman Miller: Moved a Do Pass As Amended.

Senator Triplett: Seconded.

Chairman Cook: Discussion?

A Roll Call vote was taken: Yea 7, Nay 0, Absent 0.

Senator Cook will carry the bill.

#1
PROPOSED AMENDMENTS TO HOUSE BILL NO. 1412

Page 1, line 1, after "A BILL" replace the remainder of the bill with "to provide for a legislative council study to consider the structure of emergency services communications."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

"SECTION 1. LEGISLATIVE COUNCIL STUDY – EMERGENCY SERVICE COMMUNICATION. The legislative council shall consider studying, during the 2009-10 interim, the structure of emergency services communications in the state of North Dakota. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

#1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1412

Page 1, line 1, after "A BILL" replace the remainder of the bill with "to provide for a legislative council study to consider the fee structure of emergency services communications."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

"SECTION 1. LEGISLATIVE COUNCIL STUDY – EMERGENCY SERVICE COMMUNICATION. The legislative council shall consider studying, during the 2009-10 interim, the equity of the 911 fee structure, including the consideration of fees, taxes, assessment for services, equity of services and payments among residents within service areas, fee collection methods, and current and future funding of emergency services communications in the state of North Dakota. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Date: 04/01/09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. : 1412

Senate Finance and Taxation Committee

Check here for Conference Committee A amendments

Legislative Council Amendment Number Highhouse - Study Resolution

Action Taken Do Pass Do Not Pass Amended

Motion Made By Senator Miller Seconded By Senator Triplett

Senators	Yes	No	Senators	Yes	No
Sen. Dwight Cook - Chairman			Sen. Arden Anderson		
Sen. Joe Miller - Vice Chairman			Sen. Jim Dotzenrod		
Sen. David Hogue			Sen. Constance Triplett		
Sen. Dave Oehlke					

All in favor

Total: Yes 7 No 0

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 04/01/09

Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. : 1412

Senate Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended ^{AS}

Motion Made By Senator Miller Seconded By Senator Triplett

Senators	Yes	No	Senators	Yes	No
Sen. Dwight Cook - Chairman	✓		Sen. Arden Anderson	✓	
Sen. Joe Miller - Vice Chairman	✓		Sen. Jim Dotzenrod	✓	
Sen. David Hogue	✓		Sen. Constance Triplett	✓	
Sen. Dave Oehlke	✓				

Total: Yes 7 No 0

Absent 0

Floor Assignment Senator Cook

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1412: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1412 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative council study of the fee structure of emergency services communications.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE COUNCIL STUDY - EMERGENCY SERVICES COMMUNICATION. During the 2009-10 interim, the legislative council shall consider studying the equity of the 911 fee structure, including consideration of fees, taxes, assessments for services, equity of services, and payments among residents within service areas; fee collection methods; and current and future funding of emergency services communications in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Renumber accordingly

2009 HOUSE POLITICAL SUBDIVISIONS

CONFERENCE COMMITTEE

HB 1412

2009 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1412

House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: April 21, 2009

Recorder Job Number: 12048

Committee Clerk Signature



Minutes:

Rep. Headland called the conference committee to order on HB 1412.

Roll call with the following members present: Rep. Headland, Rep. Kretschmar, Rep. J. Kelsh, Sen. Cook, Sen. Miller, Sen. Anderson.

Senator Cook: I don't think we disagree that there is a funding challenge for 911. Handed out information #1 on prepaid wireless fees. A couple of things about the handout were that the prepaid wireless is a \$17 billion industry and growing at the rate of 10% to 15% annually. Out of the 250 million wireless customers in the US 50 million are prepaid wireless customers. They pay no 911 fees so that is the first big problem; how to get the 911 taxes onto prepaid wireless. The objectives of funding of wireless 911 are critical and they are talking about central assessment of all 911 fees in every state and redistribution of that back out. The point is it is a very complicated issue. I think it is an issue that is going to change drastically in the next few years. We need to figure out how to track 911 services in the state to make for sure it stays fair and that the necessary funds are raised to meet the demand that is out there.

Rep. Jerry Kelsh: there may be some good reasons for the study but we certainly need the bill and I would have no objections putting the study on there to find out during the intern how we can properly tax the prepaid 911. The counties do need the option of being able to collect

a little more because they are going to be completely out of money. We do need to keep the intention of the bill. It is permitted. If the county doesn't need it they don't have to do it. It is by the vote of the people. Let's do the bill and then go with the study and find out how to then properly tax the 911 prepaid wireless.

Senator Cook: I think if we start raising the tax policy it might be the last of the line based telephone lines because they pay all the taxes. This is part of the problem, I believe, as people make decisions on how they want to collect for this service. You have a lot of people right now deciding to vacate their line based telephone and they go to a cell phone. That is what is driving the problem. I would buy a cell phone and pay 911 tax on it but it is going to go to Morton County and that is the other part of the problem. We are getting cell phones that the 911 fees are not getting to the county where the 911 service is being delivered.

Rep. Jerry Kelsh: I don't believe that to be 100% accurate. When you buy the phone you can designate where the 911 fee to the county where the money goes to. There is an address on that bill and that is where the money goes, as I understand it. People like the cell phone so to have a landline and a cell phone so some people it is financial not possible so the cell phone is always with them. That is where we are getting into trouble. There isn't that additional expense on the landline and we are losing the landlines. Everyone is going to the wireless. But to keep up the 911 part is where the expense comes in and that is why we need to have a little more money for the counties to be able to do that. I don't think it is because people have to pay \$1/month on their telephone bill. I think is because they can't afford to have both the landline and the cell phone so they just go with the cell phone.

Senator Cook: \$1 a month; it is more than just a \$1/month; there are plenty of taxes added to that. There is a fairness issue here. The 911 fee is a user based fee and you have to have

a tax system out there that taxes everybody fairly and that is my challenge with just taking this cap off.

Rep. Jerry Kelsh: the reason that there are counties out there that are not on the state radio is because the Legislature said that there could only be so many counties on there in the late 90s. It was a blowup between the highway patrol and state radios that said that these counties were just using too much time. We fought like mad; the smaller counties, to stay on there and they allowed 27 of us or something to stay on there. That is why everyone else went to their answering service on their own. All the larger counties, cities cooperate and have one on their own. We can't afford to have an answering service on our own. Not in these smaller counties; there is no way. It was the legislature that said you guys in the bigger counties have to do it on your own; we can't handle all those calls. That is why we are the position was are in and now state radio is raising their rates. This is a fair way to do it. It goes to the vote of the people and they have to vote on it. The commission comes up and puts it on the ballot and the people vote on it. I don't know how much more fair it can be.

Rep. Headland: what would the counties option be if the citizens chose to vote it down?

Rep. Jerry Kelsh: I don't know. They may have some options like if the county is next to a county that had an answering service. Where we are at maybe we could hook up with Jamestown, but I don't know that at this point. It probably would take a lot of equipment which we don't have.

Rep. Headland: If that is the case I believe the counties that are running deficient now are not going to shut down the service.

Rep. Jerry Kelsh: You are probably right, but they are going to take the money out of their general fund or some other source to continue the service. Then you are really having unfair taxation because there are a lot of people that don't have cell phones that are going to be

paying for the service. If they own a cell phone and pay for the service they have the option to do it. I don't think we have the option to drop it. If you take a look at some of the county budgets they are going to be scrambling.

Rep. Headland: Although this study maybe a couple years late it does seem like it is important we look at it no matter what we chose to do with the house version of the bill.

Rep. Kretschmar: Remembering the testimony in the house they wanted to give the counties this option; unless testimony would need it. Some have enough money and there are some that need additional funds and 1412 would give them that opportunity to try to raise the mills by voters in their counties. I certainly do not oppose the study. I think we should add that onto the house bill. Would it be any different if we added an expiration date on the bill that it expires on July 1, 2011 so that the next session could look at it? Maybe that would help things along.

We do need some type of bill to provide the counties a method to release some funds although it would be on the landline it would still be the people of the county deciding whether they wanted to do it or not.

Rep. Jerry Kelsh: The only thing about a sunset clause I think once this vote is taken it is good forever. The study is fine.

Senator Anderson: I guess this is neutral testimony. I had written down point of sale is being considered and will be before congress in April. I don't know if that makes any difference of what we are discussing? It might.

Senator Cook: Again that is part of the position to the bill that the change on the prepaid wireless. After you figure out a way to tax for the 911 then you have to find a way to get that tax back to the right jurisdiction and that is the challenge.

Senator Miller: I guess the conversation I had, it seems to me like there are several issues dealing with the 911. We have state radio and what I can find is state radio could easily

handle the entire 911 and we could have one dispatch center and they can handle it.

Technology has changed since the 90s. So I think there are two things; we have taxation issue, which by authorizing 1412 we are going to have inconsistency in our taxes charged around the state. Some charges \$1 and \$.25 and that is problematic and we still have an issue too many operating centers that we have to fund. When a person has to make a phone call to 911 generally that person is in the emergency and not the person standing there watching so is it fair to tax that person because he is just helping someone? That is how I look at it. You are taxing a landline person \$24/year and that is a high tax for 911.

Rep. Jerry Kelsh: Talking about fairness in taxation maybe we should; a 97 year old bachelor with 10 quarters of land; maybe he shouldn't be charged a school tax either since he had no children and never used it. That is not a very good argument. We tax to make the program work. A program that is much more difficult than a landline to have out in the middle of 94 running the lie and you push 911; what is to happen? That takes some technology to do that. That is what the problem is coming in. State radio is going to charge .38 cents. All this bill does is gives the county authority to put it to a vote. If the people don't want to pay for that service then they will have to figure something else out.

Senator Miller: When it comes to the ballot box people are saying either vote for this legislation or we are taking away emergency services. That puts them over a barrel. The study needs to be done.

Rep. Headland: I agree that if the election shows you are going to lose your 911 service if you don't support, but if the citizens are aware that the 911 will go on without their vote it will lose.

Rep. Jerry Kelsh: Most people realize if they want service it has to be paid for one way or another and I don't see how you can consider it fair that someone without the line is paying a little extra tax to the general fund so it can be unfair.

Motion Made By Sen. Cook that the House accede from the Senate amendments.

Seconded by Senator Miller. Two on each side vote so the motion failed.

Rep. Jerry Kelsh Made a Motion the Senate Recede from their amendments and that we further amend to adopt the study on HB 1412. Seconded By Rep. Kretschmar.

Voice vote failed.

Hearing closed.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1412

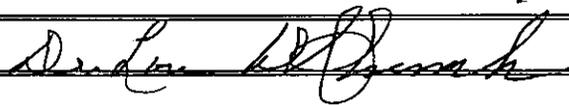
House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: April 22, 2009

Recorder Job Number: 12120

Committee Clerk Signature



Minutes:

Rep. Headland opened the hearing on conference committee 1412.

Roll call taken with the following members present: Rep. Headland, Rep. Kretschmar, Rep. J. Kelsh, Sen. Cook, Sen. Miller, Sen. Anderson.

Rep. Headland: handed out article #1 for review from Greg Wilz.

Senator Cook: How many counties would this include?

Rep. Jerry Kelsh: 16 counties. Passed out another map of the counties #2? The white ones are probably the ones that are with state radio. The stars are the counties that have the PSAPS.

Senator Miller: what are the darker counties? Do you know? Can Greg tell us what this all means?

Greg Wilz: The shaded counties represent the other PSAP counties that are regional. Counties like Pembina with the stars are all single PSAPS including the cities within. There are 22 counties that are currently using state radio.

Senator Cook: What is meant by this last statement here? I know it does not delete the 12 year vote issue; you could add it if it was prudent to do so. Is that a requirement to go back every 12 years and revote on an increase?

Rep. Jerry Kelsh: Yes, they have to go back every 12 years.

Senator Cook: Is there any conditions here of how the vote is taken; primary, general or special elections? How soon could a county, if this passed, how soon could a county have an implemented tax increase?

Rep. Headland: I know they can have a ballot on a general, primary or special election. That is in the bill in Section 4.

Senator Cook: How soon can they expect a tax or fee increase?

Rep. Jerry Kelsh: I can't answer that.

Senator Cook: Maybe Terry Traynor could answer that question.

Terry Traynor: Technically the fee goes on there when the voters approve it; it generally takes 30-60 days for the counties to make their change in their billing process soon as the roll is taken and certified the auditor then sends a letters to all the counties that serve that area and they process it.

Senator Cook: There is no condition or requirement that the telephone company has to make the adjustment?

Terry Traynor: No there isn't.

Senator Cook: what happens if it takes three months before they start doing it? Is somebody paying the difference?

Terry Traynor: No.

Senator Cook: So there is no penalty.

Rep. Jerry Kelsh: Most counties would probably wait until the next primary election, but I can't say that for sure because an election will cost them quite a chunk of money.

Senator Miller: I asked when we were discussing the bill, if we were to pass this as it is, I would suggest we amend out primary or special election. I feel things like this generally are more likely to pass if they are on a general election ballot. If it was up to me I would say only have it on the general election because it would otherwise be a waste of time?

Rep. Jerry Kelsh: I could see taking a special election out of there, but the primary election is an election that doesn't cost any extra to do it at that point to have another issue on the ballot. It is a small cost compared to a special election. So if you make it general we are waiting two years before we could ever have it on the ballot.

Senator Miller: In special elections generally the turnout is very poor, that is just my thoughts.

Senator Cook: What kind of money are we talking about that the county might be short for the local PSAP? Can we get this information for the state? Maybe we can get that information so it just comes to our desk. Terry Traynor will get this information to them.

Rep. Jerry Kelsh: I would like to have some information on what would happen if Williams, McKenzie, Mountrail, Ward and all those counties that would not be able to even ask for extra fees by election number from Greg Wilz? I want to know their financial position. If we would leave those out maybe we would have some trouble passing the bill also.

Senator Cook: I want to have them left out.

Rep. Headland: Mr. Traynor, you wouldn't have any of that information available?

Terry Traynor: I know this list is at council library. It is a required report to the legislature every two years and we have the actual collections by county.

Rep. Headland: If you could provide us with that. Is there anything else we want to do before they provide us with this information?

Rep. Kretschmar: the proposed amendment from Mr. Wilz something we want to use?

Rep. Headland: I think we want to let them see what counties and what the additional information will do.

Terry Traynor: This information will be prior to the state radio fee change.

Senator Cook: Mr. Wilz information will probably be reflective of the rate change.

Terry Traynor: Yes it will be.

Hearing closed.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1412

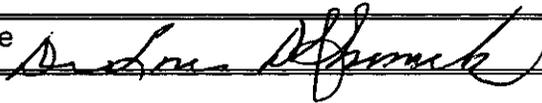
House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: April 23, 2009

Recorder Job Number: 12149

Committee Clerk Signature



Minutes:

Rep. Headland reopened the conference committee hearing on HB 1412.

Roll call was taken with the following members present: Re. Headland, Rep. Kretschmar, Rep. J. Kelsh, Senator Cook, Senator, Miller and Senator Anderson.

Rep. Headland (see attached #1). We all got the information from the county for the 2007 ESCS revenues. It appears to me most counties have a generous reserve.

Rep. Jerry Kelsh: this does not include the new fees for state radio.

Senator Cook: I certainly would like to see the figures from Mr. Wilz. I talked to him yesterday and I don't know how bad we needed that increase and I assume that was justified when he was there. I think we have had some conversations here that Rep. Kelsh brought up about allowing an increase for fees for only regional PSAPS. I am certainly willing to take a look at an amendment that would deal with that. I think we should take off the special election requirement. We definitely need to have a sunset. Maybe we could get those amendments drafted up and take a look at Mr. Wilz's figures at our meeting and maybe we can resolve it.

Rep. Kretschmar: With Mr. Wilz amendment. I think there should be a maximum they can go

to.

Senator Cook: I agree with that. I think they are all at a \$1. Whether we went to \$1.50; would take care of this problem. It is short term. I believe that we get a decent study in the interim that next session we are going to have to look at legislation that completely changes how we fund emergency services like this. I know that we are probably going to be required to have central collection and it makes a whole lot of sense. That we get the 911 fees on prepaid wireless so everybody pays their share. Then if it is collected by the state; whether it goes back to the counties based on where the cell phone is actually located most of the time or whether it just funds the entire state program. I think that is a big issue that needs to be discussed. I want 911 to work where ever I am at. We have a declining rural population and there are a lot of people that don't live out there but travel into those areas so we certainly want to have 911 services. I wish we could have gone down that road this session.

Rep. Jerry Kelsh: does anyone know when Next Generation kicks in?

Senator Cook: It is right around the corner. I understand we are moving into a technology world that I can even imagine.

Rep. Jerry Kelsh: I think that would be part of the study. We want 911 statewide. That is what we are trying to do now with the technology we are purchasing now.

Senator Miller: If we are going to allow a fee increase maybe we should just give the counties authority to make their own decision. If the county commissioners decide they want to increase the fees they can do so now and that would sunset after 3-4 years and they can meet their shortfalls. If they decide they can also put it on a ballot and put it to the peoples vote. If this is that big of a concern we should not wait until there is an election.

Senator Cook: Question about the number of PSAPS for counties that have state radio can handle; they can take on more. I think they just went from 22 to 21. I think Bottineau County

joined the consortium at Devils Lake. These other single county PSAPS could certainly go to state radio.

Rep. Jerry Kelsh: I don't know how many they could take on. There were so many counties; the smaller counties and there were the only ones allowed. If we limited it either to those 22 counties and where there is regional PSAPS there are a few counties on here that are spending way more money than their taking in. That is Stutsman County.

Rep. Headland: I would like to see them partner up with somebody rather than doubling or tripling or quadrupling their fees.

Rep. Jerry Kelsh: I don't know what would happen if we took all those counties out and we took this to the floor we would probably lose the whole thing. I like Rep. Miller's suggestion; give the counties the authority to do that; put a fifty cent increase limit on it and they have to answer to the people. If they are doing it and don't need to do it they might have a little trouble at the next election. No one likes over taxation and that includes the county commissioners themselves.

Senator Anderson: Is that for all counties?

Rep. Kretschmar: The \$1.50 maximum; I think we should allow the county commission to do it. Put the provision in here if they want to go higher they would have to take it to the people and vote on it. We are just suggesting it and maybe we can put some proposed amendments together and just look at them.

Rep. Headland: I would just assume we don't automatically give them all a fifty cent increase then.

Rep. Kretschmar: Mr. Wilz amendment doesn't include anybody.

Senator Miller: I wonder if there is any way we can consolidate the consortium issues.

Senator Cook: that is what we are doing right now. Eliminating counties that are in a consortium. I will be drafting up one set of amendments to reflect something I think I can support. I will give a couple of different options and just get one to the floor.

Rep. Jerry Kelsh: If we are going to give to the county resolutions and commissions the option to do fifty cents is fine. If they need more they can go to the vote of the people.

Senator Miller: they still have other options to fill their shortfalls. There is not going to be a tremendous number that they have to meet. I think if they go to the fifty cents extra; perhaps that would be close enough.

Senator Anderson: I like the idea too. Fifty cents is good and they can take it or leave it. I do think perhaps all the counties, even the ones that aren't combined should have a chance to maybe go to those fifty cents.

Rep. Headland: If we give everyone the option to go to fifty cents they are going to go to fifty cents whether they need it or not. I don't think that helps us in our mood to try to reduce taxes. I think the sunset clause helps us.

Rep. Jerry Kelsh: I disagree that they will all do it. County commissioners have cell phones and they don't want to pay taxes any more than anyone else and they are not going to put it on there just for the sake of putting it on there. If they need it they can put it on. I like Rep. Kretschmar's idea. Give them the opportunity to go to fifty cents if they need to; if they need more they have to go to the vote of the people.

Rep. Headland: We still have different ideas and in order to try and get this thing wrapped up Senator Cook wants to have his amendments drafted and Rep. Kelsh want sot have an amendment drafted and in the mean time we will try to get the numbers from Greg Wilz and

see if we can't get this thing wrapped up.

Hearing adjourned.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1412

House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: April 24, 2009

Recorder Job Number: 12212

Committee Clerk Signature



Minutes:

Rep. Headland reopened the conference committee hearing on HB 1412.

The following members were present: Rep. Headland, Rep. Kretschmar, Rep. J.Kelsh, Sen. Cook, Sen. Miller and Sen. Anderson.

Senator Miller moved the amendments 98251.0103. Seconded by Senator Cook.

Discussion:

Senator Miller: These amendments are aimed at addressing all of our issues we had. It allows the county commission to increase their fee to \$1.50 or whatever they feel necessary. They can do that now. At the next general election they can put it on the ballot if they wish. It is for any county that participates in a multi county intrastate PSAP so that will include state radio and where two counties come together.

Senator Cook: then there is the sunset of June 30, 2012 and these are the issues that we all discussed here and I think we have them all in this thing.

Rep. Jerry Kelsh: They remove the \$1. And say they can accept whatever they deem necessary until the next general election and then it as to be on the ballot. They can only go to \$1.50. This does not allow for the counties that are single counties to do anything. The reason for that?

Senator Cook: The reason for that it is to encourage efficiencies out there. Counties working together or you can go to state radio.

Rep. Jerry Kelsh: I would like to ask how many more can go to state radio?

Greg Wilz: We have looked at this over the past year and a half we do have excess capacity of state radio. We could easily pull in 6-8 additional counties if required; however, there would also be some practicality that those counties that are out there and had excess to the good regional PSAP might find it beneficial to join in consolidating on that level with another county regional PSAP. Most recently Rollette rolled into Lake Region PSAP up there. They chose Lake Region.

Rep. Jerry Kelsh: what will happen when Next Generation comes out? Will that ability still be with state radio?

Greg Wilz: I believe state radio will be a major player all the way through next generation 911. There is going to be significant investment having to be done to get to that point. I think the single PSAPS are not going to make it that outlay of cash to become 911 Next Generation compliant.

Senator Cook: I think some of our problem is turf protection. When the Next Generation comes up it is only going to be more capitol. I think it is important to put this into a study so that the right decisions are made and it is our willingness to compromise. We extend the expiration date out into the next biennium so that there is a transition period and we can move into that.

Rep. Kretschmar: I think these amendments do a great deal for the bill and allows counties flexibility in what they want to do. They don't have to go to \$1.50; some can do less if they wish and with the study and all we will see in the next legislative session what further needs to be done in this area. I think this is a good step forward at this point in time.

Rep. Jerry Kelsh: At one time the legislature did limit the amount of counties that could be on state radio so those folks being out there is no their fault and I just want to be on record that they were forced to do it. State radio said there was not room for them so they had to do something. I hope we are not penalizing them in any way. I am going to support these amendments with the expiration date of 2012; I am not sure it is necessary that they put it on the ballot. If they go to \$1.50 and put it on the ballot will that ballot end June 30, 2012?

Senator Cook: I would say it would; depending on what happens in the 2011 session.

Senator Miller: I think this puts a certain level of urgency on this for the next session. We have to look at this with next generation coming up too.

Rep. Jerry Kelsh: some counties just voted on this and now it legates the cycle of 12 years so they will vote on it again in 2010. Am I correct?

Senator Miller: This is just for the increase.

Rep. Headland: I think the study will give us direction on where we want to go.

Roll Vote: 6 Yes 0 No 0 Absent

Meeting adjourned.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

①

Bill Number 1412 (, as (re)engrossed):

Date: 4-21-09

Your Conference Committee Pol Subs.

For the Senate:

For the House:

YES / NO			YES / NO		
<u>Sen. Cook</u> ✓		✓	<u>Rep. Headland</u> ✓	✓	
<u>Sen. Miller</u> ✓		✓	<u>Rep. Kretschmar</u> ✓	✓	
<u>Sen. Anderson</u> ✓		✓	<u>Rep. J. Kulak</u> ✓	✓	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____, and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4-21-09

CARRIER: _____

LC NO. _____	of amendment _____
LC NO. _____	of engrossment _____
Emergency clause added or deleted _____	
Statement of purpose of amendment _____	

MOTION MADE BY: Sen. Cook

SECONDED BY: Sen. Miller

VOTE COUNT 4 YES 2 NO 0 ABSENT

Failed

2

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 1412 (, as (re)engrossed):

Date: 4-21-09

Your Conference Committee Pol. Subs

For the Senate:

For the House:

	YES / NO			YES / NO	
<u>Sen. Cook</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Rep. Headland</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<u>Sen. Miller</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Rep. Kratochmar</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<u>Sen. Anderson</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Rep. J. Kulsh</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____, and place _____ on the Seventh order.

, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO. _____	of amendment _____
LC NO. _____	of engrossment _____
Emergency clause added or deleted _____	
Statement of purpose of amendment _____	

MOTION MADE BY: J. Kulsh

SECONDED BY: Kratochmar

VOTE COUNT 3 YES 3 NO 0 ABSENT

Revised 4/1/05

Filed

April 24, 2009

VR
4/24/09
log 2

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1412

That the Senate recede from its amendments as printed on page 1144 of the House Journal and page 982 of the Senate Journal and that House Bill No. 1412 be amended as follows:

Page 1, line 2, after "communications" insert "; to provide for a legislative council study; and to provide an expiration date"

Page 1, line 15, remove "maximum", remove the overstrike over "~~does not exceed one dollar~~", and remove "will be assessed"

Page 1, line 16, remove "the fee"

Page 2, line 2, remove the overstrike over "~~for an initial six year period~~"

Page 2, remove the overstrike over lines 3 through 14

Page 2, line 15, remove the overstrike over "~~question to the electors.~~" and remove "Once established by this section, the maximum fee may"

Page 2, remove lines 16 through 22

Page 2, line 23, remove the overstrike over "~~6.~~" and remove "3."

Page 2, line 25, remove the overstrike over "~~6.~~" and remove "4."

Page 3, line 7, remove the overstrike over "~~7.~~" and remove "5."

Page 3, line 9, replace "pursuant to subsection 2" with "under this section"

Page 3, after line 9, insert:

"8. Political subdivisions within an intrastate multicity public safety answering point may exceed the maximum fee of one dollar to an amount not to exceed one dollar and fifty cents. The governing body of the political subdivision may increase the fee by resolution subject to a vote in that political subdivision at the next general election.

SECTION 2. LEGISLATIVE COUNCIL STUDY - EMERGENCY SERVICES COMMUNICATION. During the 2009-10 interim, the legislative council shall consider studying the equity of the 911 fee structure, including consideration of fees, taxes, assessments for services, equity of services, and payments among residents within service areas; fee collection methods; and current and future funding of emergency services communications in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

SECTION 3. EXPIRATION DATE. Section 1 of this Act is effective through June 30, 2012, and after that date is ineffective."

20/2

Renumber accordingly



**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 1412 (, as (re)engrossed):

Date: 4-24-09

Your Conference Committee Pol. Subs.

For the Senate:

For the House:

		YES / NO				YES / NO	
Sen Cook	✓✓	✓		Rep Headland	✓✓	✓	
Sen Miller	✓✓	✓		Rep Kretschmer	✓✓	✓	
Sen Anderson	✓✓	✓		Rep J. Kelch	✓✓	✓	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE) from

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____, and place _____ on the Seventh order.

, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO. _____	of amendment
LC NO. _____	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Sen Miller

SECONDED BY: Sen Cook

VOTE COUNT 6 YES 0 NO 0 ABSENT

REPORT OF CONFERENCE COMMITTEE

HB 1412: Your conference committee (Sens. Cook, Miller, Anderson and Reps. Headland, Kretschmar, J. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1144, adopt amendments as follows, and place HB 1412 on the Seventh order:

That the Senate recede from its amendments as printed on page 1144 of the House Journal and page 982 of the Senate Journal and that House Bill No. 1412 be amended as follows:

Page 1, line 2, after "communications" insert "; to provide for a legislative council study; and to provide an expiration date"

Page 1, line 15, remove "maximum", remove the overstrike over "~~does not exceed one dollar~~", and remove "will be assessed"

Page 1, line 16, remove "the fee"

Page 2, line 2, remove the overstrike over "~~for an initial six year period~~"

Page 2, remove the overstrike over lines 3 through 14

Page 2, line 15, remove the overstrike over "~~question to the electors:~~" and remove "Once established by this section, the maximum fee may"

Page 2, remove lines 16 through 22

Page 2, line 23, remove the overstrike over "~~6.~~" and remove "3."

Page 2, line 25, remove the overstrike over "~~6.~~" and remove "4."

Page 3, line 7, remove the overstrike over "~~7.~~" and remove "5."

Page 3, line 9, replace "pursuant to subsection 2" with "under this section"

Page 3, after line 9, insert:

"8. Political subdivisions within an intrastate multicounty public safety answering point may exceed the maximum fee of one dollar to an amount not to exceed one dollar and fifty cents. The governing body of the political subdivision may increase the fee by resolution subject to a vote in that political subdivision at the next general election.

SECTION 2. LEGISLATIVE COUNCIL STUDY - EMERGENCY SERVICES COMMUNICATION. During the 2009-10 interim, the legislative council shall consider studying the equity of the 911 fee structure, including consideration of fees, taxes, assessments for services, equity of services, and payments among residents within service areas; fee collection methods; and current and future funding of emergency services communications in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

SECTION 3. EXPIRATION DATE. Section 1 of this Act is effective through June 30, 2012, and after that date is ineffective."

Renumber accordingly

HB 1412 was placed on the Seventh order of business on the calendar.

2009 TESTIMONY

HB 1412

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TESTIMONY - HB 1412
HOUSE COMMITTEE – POLITICAL SUBDIVISIONS
FEBRUARY 12, 2009
BY GREG WILZ
DEPUTY DIRECTOR, DEPARTMENT OF EMERGENCY SERVICES

Mr. Chairman and members of the committee, my name is Greg Wilz. I am the Deputy Director of the Department of Emergency Services (NDDDES) and Director of Homeland Security for the state of North Dakota. My intent is to provide information relating to HB 1412 and on behalf of NDDDES, provide strong support for its tenets.

The Department's Division of State Radio serves as a public safety answering point (PSAP) and provides 911 services for 22 of the 53 counties. In addition, a Department representative serves as one of the three members of the state Emergency Services Communications Coordination Committee (ESCCC) as prescribed in NDCCC 57-40.6-12.

In these dual roles, we are in a position to observe the financial challenges faced by counties to sustain 911 programs. All counties especially those less populated are encountering escalating PSAP service fees and other operational cost increases (reference attachment 1). Many are also experiencing decreased revenues because North Dakotans are following the national trend to abandon conventional phones for exclusive use of cellular communication. In fact, the state now has more cell phones than landlines. For each canceled landline phone, a local jurisdiction will lose up to 75 cents per month. Using current numbers, the 22 State Radio PSAP counties will lose up to 37 cents if a landline is replaced by a cell phone (reference attachment 2). There are higher costs associated with handling cell phone calls versus landline calls. It is almost inevitable the next generation of 911 will increase current operational costs.

A majority of county 911 coordinators are employed less than half time and consequently, struggle to perform assigned duties and responsibilities (reference attachment 3). It is a daunting task for coordinators to achieve the necessary outcomes when their FTE status that does not allow the required time to accomplish expected results. The inability to raise fees beyond the current ceiling means proliferating costs including personnel will be increasingly difficult to meet. The net effect for numerous citizens across the state will be program stagnation.

Statewide 911 service is no longer an option; it is an integral part of public safety. In today's culture people mandate the availability of help on a 24/7 basis.

The real question involves how to obtain sustainability. I submit the answer lies in local control that leaves decision making in the hands of those who need and must fund 911 services. A cap imposed on counties limits the ability to develop individual programs to meet the expectations and standards demanded by citizens.

I urge committee members to pass HB 1412.

Thank you, I will try to answer any questions you may have.

Expenditure Guidelines
Emergency Services Communication System Fee Revenue
Effective January 1, 2008

Approved 12/13/2007 by the Emergency Services Communications Coordinating Committee

Pursuant to NDCC 57-40.6-12, the Emergency Services Communications Coordinating (ESCC) Committee is directed to “[d]evelop guidelines regarding the allowable uses of the fee revenue collected under this chapter.” The revenue governed by these guidelines is that which is collected for the support of an emergency services communications system, from fees permitted by State law (57-40.6-02) and imposed on telecommunications services by local voter approval.

From data gathered through the 2005 performance audit of these fees, surveys of local government, and research into other states’ policies, the following expenditure guidelines have been established. The various types of expenditures have been grouped into categories for the purpose of future monitoring and reporting to the Legislature.

The 2005 performance audit of these fees identified as an issue, the variations in the portion of Public Safety Answering Point (PSAP) operating costs that were supported by these fees. The audit pointed out that “911 calls” represented a minority of the communication traffic through the PSAPs audited, with administrative phone calls, faxes, emails, and radio communications making up a larger share.

The ESCC Committee, in establishing these guidelines, considered the audit findings but also looked to the Legislative language mandating the use of these revenues “*solely for implementing, maintaining, or operating the emergency services communication system and may enter into agreements to effectuate the same.*” “Emergency Services Communications System” (ESCS) is defined by NDCC 57-40.6-01 as “*a statewide, countywide, or citywide radio system, land lines communication network, wireless service network, or enhanced 911 (E911) telephone system, which provides rapid public access for coordinated dispatching of services, personnel, equipment, and facilities for law enforcement, fire, medical, or other emergency services.*” Additionally, The Attorney General (April 26, 2004) indicated that “*governing bodies may authorize the expenditure of E911 funds in a manner that enhances and improves the E911 system, including time for response.*” It is therefore this Committee’s belief that “emergency services communications” is decidedly broader than simply the receipt of, and response to, a “911 telephone call”.

It was noted in testimony to the ESCC Committee that some “emergency communications” handled by a PSAP do not involve a 911 call. They may be brought to the attention of the PSAP by law enforcement officers radioing their response to illegal or suspicious activity. They could be fire departments requesting the dispatch of a neighboring department for support. It may be the PSAP call-taker providing life-saving “pre-arrival” instructions allowing a citizen to administer live-saving support until a professional arrives. It may simply be the notification of the PSAP of the location of a traffic stop that becomes a critical piece of information when the traffic stop evolves into a much more serious incident.

Additionally, while a simple car accident without injuries can go from a 911 call to dispatch and call completion in a matter of minutes, a rural fire or injury can keep a call-taker simultaneously on the phone and radio (sometimes several frequencies) for hours. And as noted, sometimes these complex emergency communication situations don't even begin with a 911 call. Every PSAP has call-takers available for emergencies 24 hours per day; 365 days per year, regardless of how many calls are received or what portion of their duties involve communications initiated by a 911 call. For these reasons, the guidelines encompass a fairly broad understanding of emergency communications.

These guidelines however, do recognize that in some PSAPs the duties of the call-takers include activities not related to emergency communications. In several locations, call-takers must also support jail activities, monitor security camera's, and conduct other strictly administrative functions. These guidelines suggest that the portion of PSAP staffing and operational costs associated with such duties should not be considered eligible emergency services communication system costs.

Similarly, the 2005 performance audit raised an issue regarding the allocation of the purchase and maintenance costs of equipment. The example cited was of a radio tower that is necessary for dispatching emergency services, but also contains non-emergency radio equipment. The question was raised as to whether the entire cost of the tower was an appropriate expenditure of these funds (since it was essential for emergency services communications) or if the cost should be prorated (since it serves multiple purposes). The Attorney General's Opinion noted above also states; "*Just because the improved technologies may also incidentally aid non-emergency dispatching does not necessarily mean the purchase of such technologies with E911 funds is not permissible.*" The ESCC Committee therefore developed these guidelines with the understanding that if a piece of equipment is essential to an emergency services communications system, its full purchase and maintenance costs are allowable – even if that equipment provides some benefit to other non-emergency functions of government.

While it can be considered inappropriate for government agencies to retain significant unexpended revenues, the high cost and critical nature of the equipment necessary to ensure emergency communications suggests that each 911 jurisdiction conduct long-range planning and retain appropriate funds for future investment and emergency repairs or replacement. This planning should be documented to clearly identify the purposes for which funds are being retained.

ALLOWABLE EXPENDITURES:

1. **Equipment - Infrastructure.** The entire cost associated with the purchase, lease, rental, upgrade, lease-purchase, service and maintenance of equipment necessary for the 911 jurisdiction's operation of the emergency services communications system, including:
 - a. enhanced 9-1-1 call answering equipment,
 - b. landline, wireless, voice over Internet Protocol (VoIP) telecommunications equipment,
 - c. telecommunications device for the deaf (TDD) equipment,

- d. radio base stations, base paging equipment, and repeaters,
- e. radios for PSAP testing and backup purposes,
- f. public emergency notification systems,
- g. communication equipment consoles, desks & chairs
- h. automatic vehicle location (AVL) base station equipment, (i.e. servers, transceivers)
- i. mobile data terminal (MDT) base station equipment (i.e. base station, repeaters)
- j. recording and data storage equipment,
- k. computer hardware and software,
- l. routers, hubs, and switches,
- m. radio towers, tower structures, tower sites, antennas, and associated costs,
- n. trunk and data communication lines, including redundant and diverse trunking,
- o. uninterrupted power supplies (UPS) & emergency power generators for PSAPs and towers,
- p. commercial and custom software and programming for database provisioning, addressing, geographical information systems (GIS), computer-aided dispatch (CAD), time synchronization, or automatic location identification,
- q. master street address guide,
- r. street address signage, and
- s. fax machines and copiers for the PSAP.

2. **Staffing.** The appropriate percentage of the salaries, benefits, and overhead for the staff performing the 911 coordination function, the PSAP management function, and the emergency services communication function (including call answering, dispatching, call monitoring, pre-arrival instructions, and administrative call management with any public safety agencies). As noted above, the percentage of staff costs (if any) associated with other administrative functions not related to the implementation, management, and operation of the system of emergency services communications with public safety agencies (i.e. jail management, courthouse security, etc.) should not be supported with these funds. If such shared staff are partially funded with these revenues, it is recommended that a reasonable formula based upon the relative amount of time spent on emergency services communications and other duties be determined by the governing body for the allocation of staff costs. This formula should be documented and consistently applied. Emergency services communication staff may include:

- a. 911 Coordinators
- b. PSAP managers, supervisors, & support staff
- c. Call-takers & dispatchers

3. **Operation.** The appropriate percentage of operational costs associated with the 911 coordination function, the PSAP management function, and the emergency services communication function (including call answering, dispatching, call monitoring, pre-arrival instructions, and administrative call management with any public safety agencies). As discussed with staffing above, operational costs (if any) associated with other administrative functions not related to the implementation, management, and operation of the system of emergency services communications with public safety agencies (i.e. jail

management, courthouse security, etc.) should not be supported with these funds. If such shared operational costs are partially funded with these revenues, it is recommended that a reasonable formula based upon the relative amount of staffing, space or other factors be established by the governing body. This formula should be documented and consistently applied. Emergency services communication operational costs may include:

- a. actual administrative costs of telecommunications providers for collecting the fee, (withheld by the provider prior to remittance) within the restrictions of State law,
- b. 9-1-1 database fees and maintenance charges including provider fees for database changes,
- c. telecommunication service fees including transport charges, "meet-point" charges, selective routing, and long-distance charges incurred due to transferring 9-1-1 calls to other jurisdictions,
- d. Public Safety Answering Point (PSAP) facility operation, including land and building purchase, construction, lease or rent, utilities, maintenance, repair, and remodeling essential for the support of the communication and 911 coordination functions,
- e. Contracts with another state or local government entity or private provider for dispatch, coordination, and other allowable ESCS costs,
- f. Contracts for the implementation of 911 service for wireless, VoIP, and other emerging telecommunication technologies, including reasonable cost recovery for providers,
- g. consulting services for data acquisition, planning and ESCS implementation and maintenance,
- h. training fees and associated travel costs for staff identified in subsection 2,
- i. office supplies, furniture, postage, dues, subscriptions, maps, copier, paper, training materials and responder guides for PSAP operation and 911 Coordinator support, and
- j. public educational materials regarding 9-1-1 services and access with the specific purpose of informing the public, including children, how to access emergency services, the limitations of certain communication technologies, and the use of public emergency notification systems.
- k. Vehicle costs (either mileage or appropriate portion of vehicle purchase and maintenance) for ESCS support activities such as establishing and verifying addresses, installing/inspecting street signage, remote communication device testing and repair.

EXPENDITURES NOT ALLOWED:

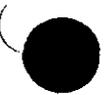
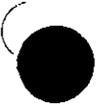
The following items are not considered eligible expenditures for these funds:

- a. responder equipment,
- b. responder vehicles including fire engines, ambulances, law enforcement vehicles, or other emergency vehicles, and
- c. support of private communication providers to enhance their coverage area.

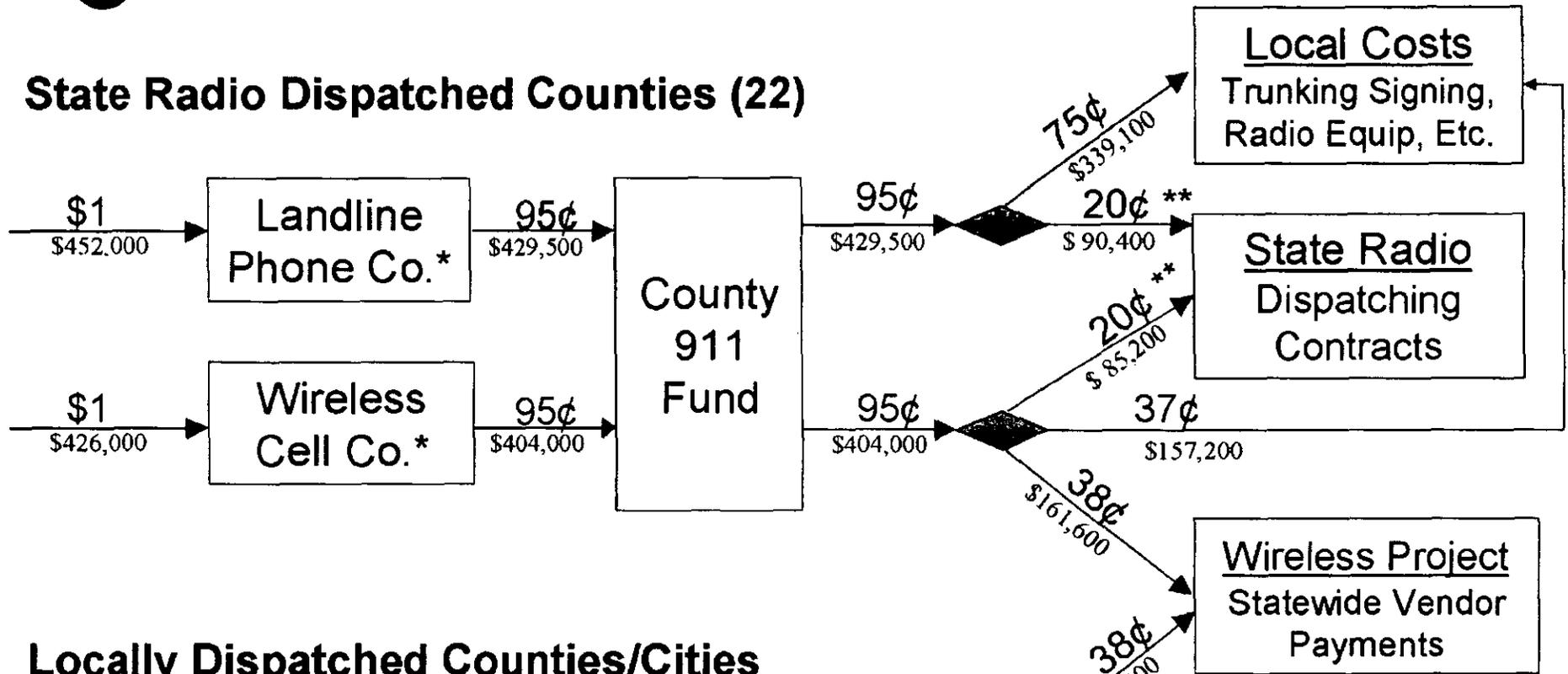


EXPENDITURES NOT IDENTIFIED:

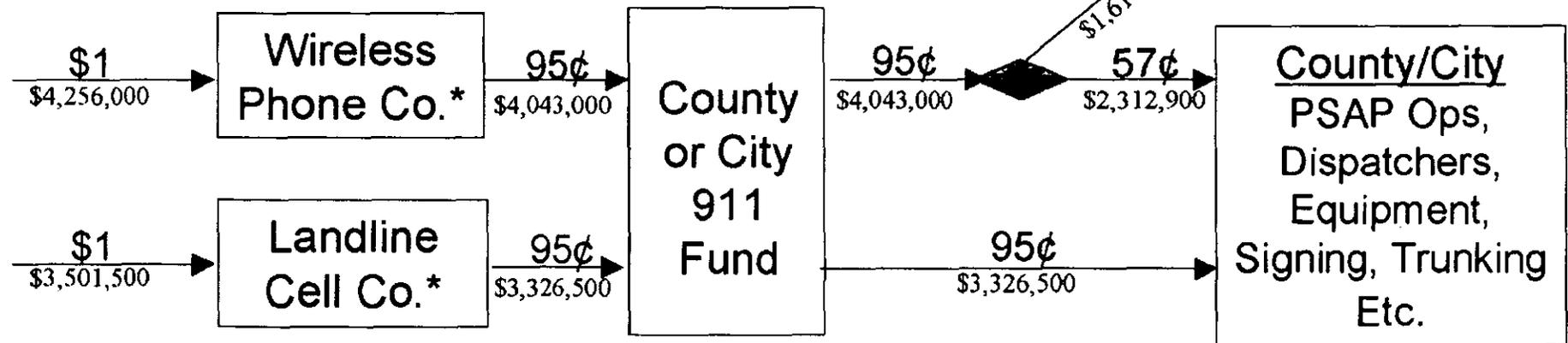
Should specific costs associated with emergency services communications arise that are not addressed by these guidelines, a description of the cost may be submitted to the ESCC Committee for a determination. The description should be submitted in writing (either paper or electronic) to the secretary of the ESCC Committee for inclusion on the agenda of the Committee's next meeting.



State Radio Dispatched Counties (22)



Locally Dispatched Counties/Cities



* Phone companies retain about \$432,500 for collecting the fee – they also receive payments for trunking and database information. All figures based on CY07 collection data.

** State Radio fees scheduled to increase to in 0.38 per device.

911 Coordinator Duties and Responsibilities

Key: Top Priority, Secondary Priority, Tertiary Priority

County Representative that is the liaison to:

- the county's citizen on 911 issues
- responders in that county on change in protocols or issues of notification, paging, etc.
- the affiliated PSAP
- any mutual aid entities
- spokesperson to County Commission on 911 issues
- city officials

Addressing:

- addresses for new properties
- resolving rural addressing and road range problems
- maintaining the master street data for emergency dispatching
- working with Postal Service guidelines for addressing
- work with city officials in charge of street naming and addressing

Mapping:

- addressing corresponds with each residency and business location on map
- identifying law enforcement, first responders, search and rescue, ambulance and fire department jurisdictions on map
- build and maintain center line road data

Signage: (Optional)

- ensure that address signs are located on each street, road and residents

Fees:

- How a fee can be implemented and changed 57-40.6-02
- How the fee is collected 57-40.6-03, 57-40.6-03.1, 57-40.6-04
- Usage of the fees
- Accountability and Records
- Emergency Services Communications Coordinating Committees guidelines for fee usage

Data Base:

- Information housed there is confidential
- Enter, modify and delete records
- Responsible for the accuracy of their counties' 911 records
- Entries, new roads, changes or deletions into the mapping and data base need to be done in a timely matter.
- For now the coordinator will need to know how to enter, modify and delete records into the 911 oracle data base.
 - The 911 coordinator will also need to know how to contact SEATOL
- Starting in January the process will change for entering records. (There will be a new map and database)
 - Training will be provided for the 911 coordinators on the new mapping system

Interoperability:

- 9-1-1 System design, maintenance and upgrade including telecommunication equipment
 - Radio frequencies will need to be digital instead of analog
 - Next Generation
- State developing a State Frequency Management Plan and Signal Operating Instructions

Contacts:

- contact numbers (including after hour) for local phone companies to track down ANI/ALI information if the names are not in a database.
- emergency contact numbers for cell phone providers.
- SR Primary Contacts: Jim Crow and Jim Boehm
 - State Radio supervisors and admin staff are here to help your county
- Follow up on issues until resolved to your satisfaction

Committees:

- may have an 911 Advisory Committee
- may have committees with responders in county

Licenses/Frequencies:

- ensure radio licenses are current for responders frequencies

Legislation in Century Code:

- 57-40.6-02. Authority of counties or cities to impose fee on assessed communications service – Procedure
- 57-40.6-04. Fee collection procedure
- 57-40.6-05. Restriction on use of fee proceeds
- 57-40.6-06. Data base
- 57-40.6-07. Use of the furnished information
- 57-40.6-08. Emergency services communication system, automated notification system, or emergency instructions – Liability
- 57-40.6-10. Standards and guidelines
- 57-40.6-12. Emergency services communications coordinating committee -Membership – Duties

Regulations:

- compliance with State and Federal regulations regarding 9-1-1 System
- be informed on State and Federal policies, laws and regulation and of changes

Unit Numbers:

- Request SR for additional unit numbers at unitbook@nd.gov

SOP's:

- 911 SOP's with SR will be reviewed by the coordinator once a year to ensure the paging procedures and alternate contact numbers are correct.

Incident Recordings:

- if a county responder except for law enforcement needs follow up incident recordings or information pertaining to a call need to go through the 911 Coordinator
- State Radio does not release information unless authorized by law enforcement or 911 Coordinator

911 Association:

- may be a member

PSAPs:

- 911 SOP for transferring calls between SR and PSAPs

Training:

- conduct map training with responders
- visit State Radio Communication Center and receive training on how it operates

Public Information:

- coordinate media requests and press releases with county public information officer
- conduct public education on 911 topics

Mentors:

- 911 Coordinators will be asked to mentor a new 911 Coordinator

#2

Testimony to The
HOUSE POLITICAL SUBDIVISIONS COMMITTEE
Prepared February 12, 2009 by
Terry Traynor, NDACo Assistant Director
North Dakota Association of Counties

REGARDING HOUSE BILL No. 1412

Mr. Chairman and Committee members, on behalf of the North Dakota Association of Counties I would like to express their support of HB1412. This bill greatly increases the control that the local voters would have over the dedicated funding source for emergency communications.

Currently, State statute allows the voters of a county or city to impose a per-communication device fee of up to \$1 for twelve years, and then it goes before the voters for an up or down vote to put it in place for another twelve. This bill would allow the voters to set the fee at whatever they determine is the appropriate rate, and then demand an election to decrease, increase, or eliminate that fee at any time in the future.

As we have testified to this committee before, emergency services communication is a complex and multi-faceted system of telephones, computers, and radios, that connects the citizens of North Dakota to law enforcement, fire departments, and emergency medical responders through 23 public safety answering points (PSAPs) in North Dakota and one in South Dakota. While from one perspective this network can be viewed as 24 separate systems, it is in reality a single system with 24 points of contact. The PSAPs are interconnected through two "tandems" or routers – one located in Fargo and one in Bismarck. These devices direct the calls to the most appropriate PSAP based on the caller's location, and allow for rapid, fail-safe switching to another PSAP for backup.

Emergency services communication has existed in this State since the development of telephone and radio; however it became more accessible, reliable, and consistent with the advent of E-911. E-911 refers to the policies, procedures, and technologies that allow immediate connection to the appropriate PSAP from almost any phone in the State by dialing the digits 9-1-1; and the ultimate dispatch of the most appropriate and available emergency service.

The integration of these policies, procedures, and technologies has been partially funded through the fee addressed in HB1412. This fee has been imposed by all 53 counties as well as separately by two cities – in those cities the county does not impose a fee (no doubling up).

Obviously with 55 governing bodies imposing fees but only 24 PSAPs, there is considerable sharing of services. 22 of the counties are served by the PSAP operated by State Radio, six are jointly dispatched by the Lake Region Law Enforcement Center, and five other two-unit PSAPs exist.

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It is often of interest to compare North Dakota to neighboring states in the area of emergency services communication. The table contrasts the number of PSAPs operated in the surrounding states with their population. North Dakota is very close to the regional average for the number of persons served per PSAP, but has by far the fewest number of PSAPs of any State in the region.

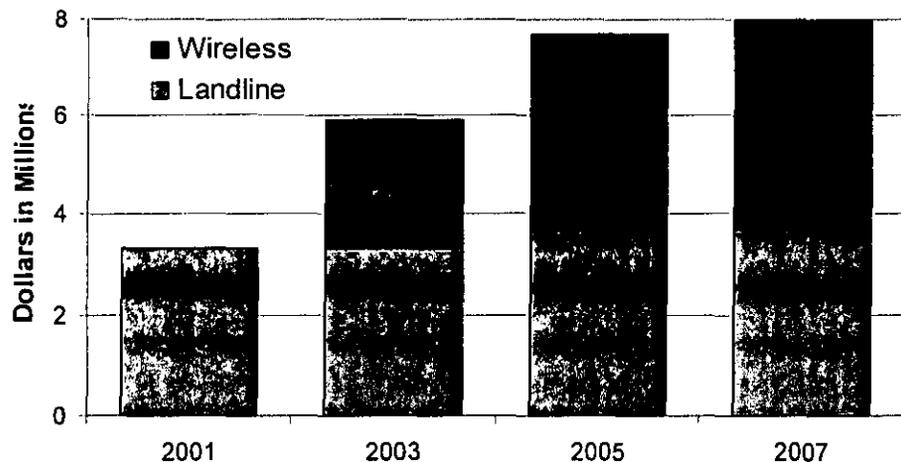
Rank	State	Number of PSAP's	Population 2000 Census	Persons Served Per PSAP
1	North Dakota	23	642,200	27,922
2	South Dakota	45	754,844	16,774
3	Idaho	49	1,293,953	26,407
4	Wyoming	56	493,782	8,818
5	Montana	59	902,195	15,291
6	Minnesota	115	4,919,479	42,778
7	Iowa	123	2,926,324	23,791
8	Kansas	165	2,688,418	16,293

The Chapter of North Dakota law (NDCC 57-40.6) that allows city and county governing bodies to impose the fee, also includes a reporting requirement that is monitored by the Emergency Services Communications Coordinating Committee (ESCCC) discussed in this Committee earlier in the Session. This reporting requirement prompts a biennial analysis of revenues, expenditures and status.

While the entire analysis is reported to the Legislative Council and is available on the website, some of the data may be helpful to the Committee in considering HB1412. Overall, the analysis for the 2008 report indicates several significant changes since the last survey.

For the first time on a statewide basis, the revenue received by local jurisdictions from landline communication companies has declined slightly. This, coupled with the continued increase in wireless revenues, moved the wireless percentage of the funds to 55% (from 52% two years ago).

Emergency Services Communications System Fees
Comparison of Landline vs. Wireline - Statewide



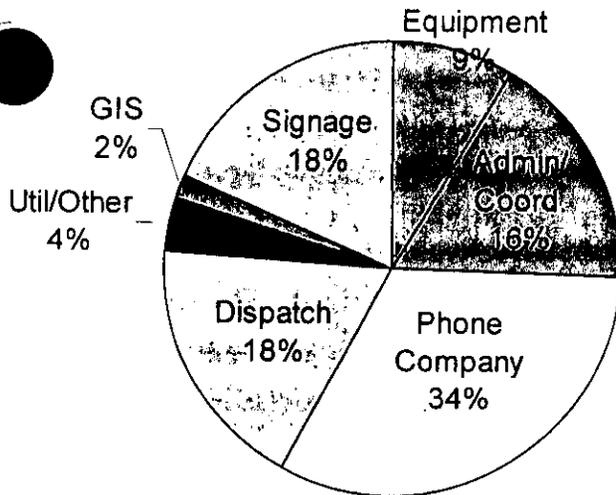
While all but several of the largest jurisdictions saw a decline in landline revenue, surprisingly several of the more rural counties saw a decrease in wireless revenue as well.

Although the largest portion of ESCS expenditures are paid from the special fund created by the fee revenue, many jurisdiction reports clearly indicate that there are significant costs borne by other funds, but that these costs are often not reflected in the special fund transactions. Salaries and (particularly) benefits for dispatchers in locally-operated PSAPs are often funded through local city or county property tax sources.

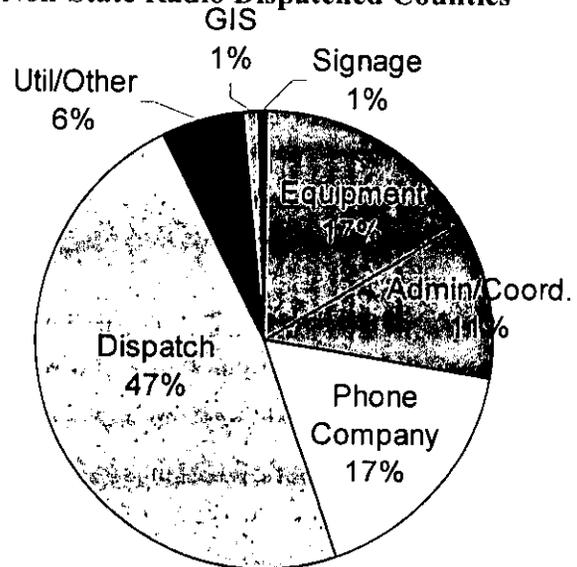
The actual data gathered from the individual jurisdictional reports are included in the full report, however the following table and charts provide a statewide picture of the finances. The reports have been grouped by "State Radio" and "Non-State Radio" dispatched counties, and some grouping of expenditure categories has been done to make the charts more meaningful.

	State Radio Dispatched Jurisdictions	Non-State Radio Dispatched Jurisdictions
2007 Landline Revenue	\$ 429,367	\$ 3,326,509
2007 Wireless Revenue	\$ 404,826	\$ 4,043,142
Other Funds/Previous Reserves	\$ 169,664	\$ 5,148,516
2007 ESCS Expenditures	\$ 905,304	\$12,369,223

State Radio Dispatched Counties



Non-State Radio Dispatched Counties



The financial information is better understood when the PSAP's supported by this revenue are profiled. The table below provides a picture of what the surveys have indicated. It is significant to realize that in a single year the public safety answering points of North Dakota manage 175,700 emergency calls, over half of which are now coming from cellular phones. This indicates another 6% shift from landline to wireless calls in the last two years.

In the busiest PSAPs, they average a 911 call every 10 minutes – 24 hours a day, 7 days a week, 52 weeks a year. Statewide, these agencies handle an additional 93,984 administrative calls per month, or a combined total of over 1.3 Million total calls per year.

	Statewide Total	Largest PSAP	Smallest PSAP
Dedicated 911 Trunks	86	10	2
Administrative Phone Lines	178	10	5
911 Calls per Month	14,642	4,320	83
Admin. Calls per Month	93,984	13,985	1,443
Total of all Calls per Month	108,626	17,920	1,576
Total 911 Calls per Year	175,700	47,217	990
Wireless as % of 911 Calls	55%	54%	17%
Active Dispatch Stations	67	7	3
Dispatchers – Full-Time	172	22	4
Dispatchers – Part-Time	24	0	2
LE Agencies Dispatched	113	9	4
Ambulances Dispatched	141	16	14
Fire Agencies Dispatched	<u>385</u>	<u>26</u>	<u>8</u>
Total Agencies Dispatched	639	51	26

184 full-time and 26 part-time staff handle this volume of calls on the front line as call-takers and dispatchers, of which anywhere from 32 to 44 are on duty at any given time. Additionally, these front-line individuals are supported by 54 full-time and 18 part-time dispatch supervisors, computer/radio technicians, GIS specialists, trainers, and administrative staff.

These PSAPs coordinate and manage the activities of over 600 emergency responding agencies. It is interesting that some of the PSAP's serving the smallest population and the most rural areas have the largest number of agencies to dispatch. On the average, each PSAP must manage 27 responding agencies, and sometimes several of them are being dispatched simultaneously.

Statewide, on an annual basis, over 400,000 emergency response services of all types (fire, EMS, law enforcement) are dispatched by the 23 North Dakota public safety answering points. To dispatch these services, the individual PSAP's manage from 2 to 17 local radio frequencies, in addition to those of State Radio.

As I believe this summary indicates, this is a very significant and rather complex responsibility of local government, and its costs and revenues are somewhat unique to each jurisdiction. For these reasons, we urge the Committee to give HB1412 a Do Pass recommendation to give the voters of each jurisdiction greater control over its funding.

#3

TESTIMONY – HB 1412
HOUSE COMMITTEE – POLITICAL SUBDIVISIONS
FEBRUARY 12, 2009

BY
NORTH DAKOTA 9-1-1 ASSOCIATION
CONTACT: BRENT NELSON, LEGISLATIVE COMMITTEE CHAIR

Chairman Wrangham and members of the committee, my name is Brent Nelson. I am the 9-1-1 Coordinator for Walsh County and currently serve as the chairman of the ND 9-1-1 Association Legislative Committee. This testimony is in support of HB 1412 on behalf of the ND 9-1-1 Association.

The ND 9-1-1 Association is comprised of various members who are associated with ND 9-1-1. Membership ranges from local 9-1-1 Coordinators, PSAP (Public Safety Answering Point) Directors, Telephone Companies, Industry representative, various State Agencies, and the ND Association of Counties. The Association has representation from the largest jurisdictions in the state to the smallest.

During the Associations December quarterly meeting, the Association voted in support of what is now HB 1412. The Association believes that the two issues this bill addresses are important to ND 9-1-1 and to the local jurisdictions that the Association represents.

The first item addressed in this bill is the removal of the \$1.00 maximum fee cap. The Association believes that since the local jurisdictions have responsibility to fund 9-1-1 locally, that they should also have the ability to determine the amount and means by which they generate those funds, for supporting 9-1-1 locally. You will hear other testimony regarding the ability of local jurisdictions to sustain a viable program under the current fee structure. This varies depending on the local jurisdictions arrangements for 9-1-1 service and the ability of that jurisdiction to raise funds. The Association believes that removing the cap allows local jurisdictions, who fund 9-1-1, to make the decision on how their local program is funded.

The second item addressed in the bill removes the requirement to vote on the fee every 12 years. The ND 9-1-1 Association believes that we are at a point in time where not having 9-1-1 service, is not an option. In the past any jurisdiction that has come up for a 12 year vote has received overwhelming support for continuing. The 12 year vote requirement also creates issues for local jurisdiction that may be looking at leasing equipment, beyond their current 12 year approval.

On behalf of the ND 9-1-1 Association, I urge the committee to pass HB 1412.

Thank you for your time and consideration.

Same given to Senate

#4

Testimony of Sheri Gartner
LaMoure County Director of Emergency Services
House Bill 1412
Political Subdivisions Committee
Thursday February 12, 2009

Good morning Mr. Chairman and committee members. My name is Sheri Gartner. I have been the Director of Emergency Services for LaMoure County for the last year and a half. Prior to that, I was a dispatcher at ND State Radio for three and a half years.

I am here today to request your support of House Bill 1412, which removes the cap on 911 fees and the required twelve year vote. LaMoure County is one of the many counties who need this bill to pass in order to continue providing quality 911 services to our residents.

The one dollar cap that is currently on 911 fees is rapidly becoming inadequate to cover required expenses of the 911 program in LaMoure County. From that one dollar, five cents is retained by the phone company to cover administrative costs. LaMoure County will soon be paying thirty-eight cents per line to ND State Radio for providing 911 dispatching in our county. An additional thirty-eight cents from each fee generated by wireless phones goes to the ND Association of Counties for the wireless GPS project. That leaves only fifty-seven cents per landline and nineteen cents per wireless line. I

must add, that even in our small, rural county our citizens seem to be following the national trend of switching to cell phones and disconnecting their landlines.

That fifty-seven cents and nineteen cents we will get to keep has to cover our local costs associated with providing 911 services for our residents. Our local costs include a portion of my salary and office expenses, as well as maintenance of the 911 mapping software, paging repeaters, and 911 road signs. Our expenses for 911 services can only be expected to increase in the future, as do those of equipment, materials and labor. Next Generation 911 will almost certainly bring even higher expenses as well. I refer to the higher expenses in the future, but the need to remove the 911 cap is now. Once the cap is removed, it will still take some time for each county to calculate their needed amount, educate their citizens on its importance, and pass a local vote to raise the fee. Even waiting two years until the next Legislative session could be too late, leaving some counties in the red and struggling to maintain their 911 program.

Some critics of this bill have said people do not want to pay more taxes. First of all, 911 fees should be considered as user fees, not taxes. Second of all, people need to realize that they will be paying one of three ways: Through an increased user fee on their phone bill, through higher general taxes as the program is supplemented by the county general fund, or through serious deficiencies in 911 services.

The other part to House Bill 1412 concerns the mandated re-voting of 911 fees. Requiring a twelve year vote on the local 911 fee, even though it may not be widely

disputed, is costly and time consuming for our county. House Bill 1412 removes this requirement, however, it still leaves an opportunity for the public to petition for a vote if they feel the fee should be lowered.

I have attached a spreadsheet showing LaMoure County's bleak financial outlook if the one dollar cap remains in place. As you will see, once State Radio's new rates are in place this summer, LaMoure County anticipates a deficit of approximately \$6600 per year, at today's costs.

There are no costs to the State of North Dakota to pass House Bill 1412. This bill does not give total control to the whim of county commissioners. House Bill 1412 gives each county the chance to adequately fund their 911 program, with the support of their citizens. This bill allows for local control over local costs and issues. Each county will still be responsible for following the 911 Expenditure Guidelines as set by the Emergency Services Communications Coordinating Committee.

Please recommend a "Do Pass" on House Bill 1412.

Thank you for your time and consideration. Do you have any questions for me?

LaMoure County
911 System Funding Projection
(updated 2/10/09)

Same numbers given to Senate.

	Monthly	Yearly
911 Fees Collected- Landline (2280)	\$2,166.00	\$25,992.00
911 Fees Collected- Cellular (2550)	\$2,422.50	\$29,070.00
Trunks/Phone Charges	-\$430.00	-\$5,160.00
State Radio Charges (\$.38/line)	-\$1,835.40	-\$22,024.80
Wireless E-911 Fees (NDACo, \$.38/line)	-\$969.00	-\$11,628.00
911 Sign Maintenance	-\$416.67	-\$5,000.00
Paging Repeaters, maintenance and repairs *	-\$70.00	-\$840.00
Paging Repeaters, outlay for replacement *	-\$100.00	-\$1,200.00
911 Coordinator (15% of salary/benefits)	-\$532.50	-\$6,390.00
Coordinator Travel/Office Expenses	-\$395.00	-\$4,740.00
911 Public Education	-\$41.67	-\$500.00
Mapping Maintenance	-\$102.08	-\$1,225.00
Emergency Notification System	-\$250.00	-\$3,000.00
Monthly Totals	-\$553.82	-\$6,645.80
* Paging Repeaters were purchased in 2006-2007, maintenance is projected at \$840 per year, and replacement is recommended in 10-15 years.		

Testimony HB 1412
House Committee – Political Subdivisions
February 12, 2009
By Karla Germann, Bowman-Slope County 9-1-1 Coordinator

Mr. Chairman and members of the Committee: I am Karla Germann, the Bowman County and Slope County 9-1-1 Coordinator, and my intention is to voice my support for HB1412.

State Radio (under the direction of the interim director) has been making several technological improvements which include a mapping program and a web interface for local 9-1-1 coordinators to manage their database information that is fed directly to 9-1-1 call-takers. These improvements enhance call-takers ability to perform their job resulting in a better service provided to local responders and the residents utilizing 9-1-1.

In addition to costs and ongoing fees associated with technological improvements, State Radio also increased fee for dispatch services from \$0.20 per phone line per month up to \$0.38 per line which goes into effect beginning July 1.

The cost associated with obtaining these improvements and funding the fee increases puts many counties in a position where it may be financially difficult to sustain their local 9-1-1 System on the capped \$1 fee without supplementing from their general fund.

Something to consider is that the funds a county collects is slowly dwindling as the number of landlines drop. Residents are cancelling their landline service and opt to keep only a cell phone line. Not only that, but under the current law, a maximum of \$1 can be assessed on each line. Of that the communications carrier keeps 5% for administrative costs and remits \$0.95 to the jurisdiction for land line service. Wireless lines are handled differently in that the ND Association of Counties manages the wireless database for a fee of 40% in addition to the 5% retained by the carrier which leaves the county only \$0.55 per cell line.

Other factors that put a strain on local 9-1-1 accounts include equipment expenditures to make up for radio coverage that was lost when the state fielded their new communications equipment. In Bowman and Slope Counties we were forced to install 5 paging repeater systems just so our local responders would receive their pages in emergencies. Costs will be ongoing to maintain these systems as well.

For these reasons I am in support of removing the fee cap for 9-1-1 fees and leaving it up to the vote of the local public to set a fee to maintain their 9-1-1 System.

Some legislators have asked me if it would be wiser to leave the fee alone and allow a mill levy instead. My response to that is that my county sustains their 9-1-1 program solely through the 9-1-1 fee assessed on each phone bill. It needs to be considered as a “user’s fee” rather than taxing land owners. A farmer who has a section of land but only one phone line should not have to support the program through his land taxes while a house renter pays only the 9-1-1 fee on his phone bill.

Thank you for your time.

#1

Same given
to Senate.

PREPAID WIRELESS 911 FEES

Finding Solutions for a "No Strings Attached"
Marketplace

NCSL Task Force on Taxation of Telecommunications
November 22, 2008

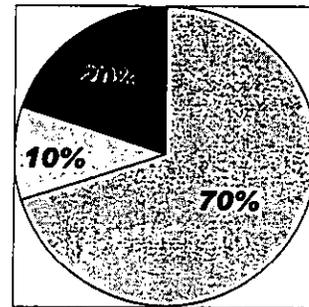


Objectives

- Overview of the prepaid Wireless market.
- Overview of policy objectives of E911 fees.
- Describe the current system and issues it raises for prepaid wireless.
- Discuss alternatives and why a new solution was developed with the retail industry.

The Prepaid Wireless Market

- Prepaid Wireless is a \$17 billion industry and growing at rate of 10% to 15% annually.
- Out of the 250 million wireless customers in the U.S., 50 million are prepaid wireless customers.
- A growing percentage of prepaid wireless sales is taking place in retail establishments.



□ Retail □ Internet ■ Carrier

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Government Policy Objectives

- Funding of wireless 911 is critical to meeting the public's expectations for effective and accessible 911 emergency services.
- Funding objectives are to sustain and grow a network for rapid response to emergencies.
- Traditional 911 usage has been broadened by the mobility of wireless users (e.g., witnessing & reporting a car accident, "Amber alert", robbery...).
- 911 Agency priority across the U.S. is to ensure that the 911 system is funded in a fair and equitable manner.

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Wireless Industry and Retailer Position

- Both industries recognize the importance of 911 to wireless customers and are committed to its deployment through fair and equitable funding.
- Wireless 911 fees should be set and collected on a state-wide basis.
- Wireless 911 fees should be competitively neutral and imposed on the consumer.
- Wireless 911 fees should be easy to administer and vendors compensation is a key component of any solution.
- Customers should fund improvements to the 911 systems in the jurisdictions where they live or work.

Features of "Postpaid" Wireless

- The monthly billed customers are often referred to as "postpaid" customers.
- Provider has information on customer address and knows charge for monthly service.



Sourcing of "POSTPAID" Wireless

- The federal Mobile Telecommunications Sourcing Act (MTSA) controls sourcing of wireless telecommunications **except** for prepaid telecommunications.
- Under MTSA transaction taxes are sourced to the appropriate taxing jurisdiction based on the customer's residential or business street address (referred to as "place of primary use").



Features and Sourcing of "Prepaid" Wireless

- Prepaid wireless customers do not:
 - receive a monthly bill
 - provide an address
 - enter a contract.
- The prepaid wireless customer is anonymous.
- MTSA does not apply.
- It is unclear if state or locality has authority under constitutional law to impose tax on entire charge based on phone number or zip code.

The 911 Fee

- Many state and local 911 jurisdictions, or "Public Safety Answering Points", assess an 911 fee on traditional wireless customers.
- The traditional 911 fee is based on a "benefits conferred" concept – i.e., the 911 fee is linked to the ability of a device to call 911 in an emergency.
- The fee is generally imposed monthly based on a flat fee (or on a percentage of the bill in some states).

The 911 Fee and Prepaid Wireless

- As states have become aware of the growth of prepaid wireless, they have tried to adapt existing postpaid methodology.
- This has proved difficult to implement:
 - No Monthly bill – therefore how to charge prepaid customer each month?
 - No PPU address – therefore how to associate the prepaid customer with a jurisdiction?

The 911 Fee and Prepaid Wireless

- Current Alternatives:
 - Adapt the postpaid model by requiring a monthly “decrement” process for prepaid. A formula may apply for calculating the amount of the monthly fee.
 - Shift the fee to the carrier.
 - Apply the fee to the wholesale transaction – i.e. the carrier would charge the fee to the “non-telecom” reseller.
- Issues:
 - Carrier does not know location of customer to determine which jurisdiction's fee to apply.
 - Lack of transparency.
 - Inconsistent treatment of customers creating an un-level playing field.

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Industry Working Group

- CTIA-The Wireless Association® and ROCI - Retailers of Common Interest worked together to develop an 911 fee solution.
- The result of those discussions is a “Point of Sale” solution.



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Point of Sale Solution

- A flat fee per transaction that applies to the consumer at the point of sale.
- The amount of the fee should not vary based on the size of the card.
- The fee should be set at an amount that reflects parity with post paid wireless.
- Administration of the fee would take place at the state level with distribution of funds to public safety agencies.
- Vendor's compensation would apply at 3% of the fee reflecting recent studies on cost of compliance with sales taxes.

Advantages of Point of Sale Solution

- The information exists to determine the customers location.
- "Jefferson Lines" decision provides states and localities authority to tax the sale.
- It facilitates the "cash & carry" nature of the transaction.
- It is transparent to the consumer.
- It is competitively neutral.

Project Milestones

- National Emergency Number Association (NENA) is receptive to the POS approach and will work with the wireless industry to help educate state NENA chapters. .
- The National Retail Federation indicated their support for the proposal if endorsed by ROCI and agreed to help the Wireless industry to work with the local retail organizations.
- ROCI will be voting on final approval of the model legislation at their meeting on November 20th.

Summary

- The "Point of Sale" solution will help all stakeholders to accomplish their priorities with fair and equitable funding of emergency 911 systems.
- Task force members should consider this proposal to replace existing 911 fees on prepaid wireless and using this proposal in any efforts to extend 911 fees to prepaid wireless.

#1

TESTIMONY - HB 1412
SENATE COMMITTEE -- FINANCE AND TAXATION
MARCH 23, 2009
BY MIKE LYNK
DIRECTOR, DIVISION OF STATE RADIO
DEPARTMENT OF EMERGENCY SERVICES

Mr. Chairman and members of the committee, my name is Mike Lynk. I am the Director of State Radio, Department of Emergency Services (NDDDES). My intent is to provide information relating to HB 1412 and on behalf of NDDDES, and provide strong support for its tenets.

The Department's Division of State Radio serves as a public safety answering point (PSAP) and provides 911 services for 22 of the 53 counties. In addition, a Department representative serves as one of the three members of the state Emergency Services Communications Coordination Committee (ESCCC) as prescribed in NDCCC 57-40.6-12.

In these dual roles, we are in a position to observe the financial challenges faced by counties to sustain 911 programs. All counties especially those less populated are encountering escalating PSAP service fees and other operational cost increases (reference attachment 1). Many are also experiencing decreased revenues because North Dakotans are following the national trend to abandon conventional phones for exclusive use of cellular communication. In fact, the state now has more cell phones than landlines. For each canceled landline phone, a local jurisdiction will lose up to 75 cents per month. Using current numbers, the 22 State Radio PSAP counties will lose up to 37 cents if a landline is replaced by a cell phone (reference attachment 2). There are higher costs associated with handling cell phone calls versus landline calls. It is almost inevitable the next generation of 911 will increase current operational costs.

A majority of county 911 coordinators are employed less than half time and consequently, struggle to perform assigned duties and responsibilities (reference attachment 3). It is a daunting task for coordinators to achieve the necessary outcomes when their FTE status that does not allow the required time to accomplish expected results. The inability to raise fees beyond the current ceiling means proliferating costs including personnel will be increasingly difficult to meet. The net effect for numerous citizens across the state will be program stagnation.

Statewide 911 service is no longer an option; it is an integral part of public safety. In today's culture, people mandate the availability of help on a 24/7 basis.

The real question involves how to obtain sustainability. I submit the answer lies in local control that leaves decision making in the hands of those who need and must fund 911 services. A cap imposed on counties limits the ability to develop individual programs to meet the expectations and standards demanded by citizens.

I urge committee members to pass HB 1412.

Thank you, I will try to answer any questions you may have.

*Some
attachments
given to House
are from
see House testing
under
Greg Witz*

#2



DATA: Cell Phone-Only Households State-by-State

Wednesday, March 11, 2009

Associated Press

State-by-state prevalence of households and adults with cell phones only, according to estimates released Wednesday by the National Center for Health Statistics, part of the Centers for Disease Control and Prevention. States are ordered from highest to lowest prevalence of cell-only households.

Estimates subject to some error because of survey sampling and design of the estimation model; the range of potential error varies by state.

Oklahoma: 26.2 percent of households, 25.1 percent of adults

Utah: 25.5 percent of households, 23.9 percent of adults

Nebraska: 23.2 percent of households, 22.4 percent of adults

Arkansas: 22.6 percent of households, 21.2 percent of adults

Iowa: 22.2 percent of households, 18.9 percent of adults

Idaho: 22.1 percent of households, 21.3 percent of adults

Kentucky: 21.4 percent of households, 21.6 percent of adults

New Mexico: 21.1 percent of households, 20.5 percent of adults

Texas: 20.9 percent of households, 19.5 percent of adults

South Carolina: 20.6 percent of households, 19.2 percent of adults

Tennessee: 20.3 percent of households, 20.8 percent of adults

District of Columbia: 20.0 percent of households, 25.4 percent of adults

Mississippi: 19.1 percent of households, 20.3 percent of adults

Arizona: 18.9 percent of households, 17.1 percent of adults

Oregon: 17.7 percent of households, 18.1 percent of adults

Minnesota: 17.4 percent of households, 16.5 percent of adults

North Dakota: 16.9 percent of households, 18.1 percent of adults

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Kansas: 16.8 percent of households, 15.2 percent of adults
Colorado: 16.7 percent of households, 15.2 percent of adults
Georgia: 16.5 percent of households, 15.0 percent of adults
Illinois: 16.5 percent of households, 15.2 percent of adults
Michigan: 16.3 percent of households, 15.3 percent of adults
North Carolina: 16.3 percent of households, 14.8 percent of adults
Washington: 16.3 percent of households, 15.6 percent of adults
Wisconsin: 15.2 percent of households, 13.6 percent of adults
Louisiana: 15.0 percent of households, 13.8 percent of adults
Ohio: 14.0 percent of households, 13.1 percent of adults
Alabama: 13.9 percent of households, 12.2 percent of adults
Indiana: 13.8 percent of households, 13.0 percent of adults
Maine: 13.4 percent of households, 12.0 percent of adults
Alaska: 11.7 percent of households, 13.3 percent of adults
New Hampshire: 11.6 percent of households, 8.9 percent of adults
West Virginia: 11.6 percent of households, 10.6 percent of adults
New York: 11.4 percent of households, 10.6 percent of adults
Wyoming: 11.4 percent of households, 13.0 percent of adults
Maryland: 10.8 percent of households, 9.8 percent of adults
Nevada: 10.8 percent of households, 10.1 percent of adults
Pennsylvania: 10.8 percent of households, 9.2 percent of adults
Virginia: 10.8 percent of households, 10.0 percent of adults
Missouri: 9.9 percent of households, 8.4 percent of adults
Massachusetts: 9.3 percent of households, 8.4 percent of adults
Montana: 9.2 percent of households, 5.4 percent of adults
California: 9.0 percent of households, 8.4 percent of adults
Hawaii: 8.0 percent of households, 8.2 percent of adults

New Jersey: 8.0 percent of households, 6.1 percent of adults

Rhode Island: 7.9 percent of households, 5.3 percent of adults

South Dakota: 6.4 percent of households, 6.8 percent of adults

Delaware: 5.7 percent of households, 4.0 percent of adults

Connecticut: 5.6 percent of households, 4.8 percent of adults

Vermont: 5.1 percent of households, 4.6 percent of adults

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All market data delayed 20 minutes.

#5

Testimony of Sheri Gartner

House Bill 1412

Monday March 23, 2009

9:45 am

Good morning Chairman Cook and committee members. My name is Sheri Gartner. I have been the Director of Emergency Services for LaMoure County for the last year and a half. Prior to that, I was a dispatcher at ND State Radio for three and a half years.

Due to the flooding situation in our county, I was unable to attend today's hearing, but I felt it was imperative to relay some information in support of House Bill 1412, as well as address some concerns that were raised in the House. This bill is important not only to LaMoure County, but to many other counties in the state as well.

First, let me explain how the one dollar cap that is currently on 911 fees is rapidly becoming inadequate to cover required expenses of the 911 program in LaMoure County. From that one dollar, five cents is retained by the phone company to cover administrative costs. LaMoure County will soon be paying thirty-eight cents per line to ND State Radio for providing 911 dispatching in our county. An additional thirty-eight cents from each fee generated by wireless phones goes to the ND Association of Counties for the wireless GPS project. That leaves only fifty-seven cents per landline and nineteen cents per

wireless line. Locally, we seem to be following the national trend where more people are switching to cell phones and disconnecting their landlines.

That fifty-seven cents and 19 cents we get to keep has to cover our local costs associated with providing 911 services for our residents. Our local costs include a portion of my salary and office expenses, as well as maintenance of the 911 mapping software, telephone circuit charges, paging repeaters, and 911 road signs. Our expenses for 911 services can only be expected to increase in the future, as do those of equipment, materials and labor. Next Generation 911 will almost certainly bring even higher expenses as well. I refer to the higher expenses in the future, but the need to remove the 911 cap is now. Once the cap is removed, it will still take some time for the counties to calculate the needed amount, educate the citizens on its importance, and pass a local vote to raise the fee. Even waiting two years until the next Legislative session could be too late, leaving some counties in the red and struggling to maintain their 911 program.

Some critics of this bill have said people do not want to pay more taxes. First of all, 911 fees should be considered as user fees, not taxes. Second of all, people need to realize that they will be paying one of three ways: Through an increased user fee on their phone bill, through higher general taxes as the program is supplemented by the county general fund, or through serious deficiencies in 911 services.

The other part to House Bill 1412 concerns the mandated re-voting of 911 fees. Requiring a twelve year vote on the local 911 fee, even though it may not be widely

disputed, is costly and time consuming for our county. House Bill 1412 removes this requirement, however, it still leaves an opportunity for the public to petition for a vote if they feel the fee should be lowered.

I have attached a spreadsheet showing LaMoure County's bleak financial outlook if the one dollar cap remains in place. As you will see, once State Radio's new rates are in place, LaMoure County anticipates a deficit of approximately \$6600 per year.

I had a chance to listen in to the live webcast when this bill went to the full House floor. The question was raised on how much money was in the 911 account. There is not just one account, each county receives the fees generated by their residents, and keeps their own local 911 account. According to a report issued last year by the ND Association of Counties, one county had close to a million dollars, and several had next to nothing in their accounts. Just looking at those numbers does not tell the whole story. The county with close to one million dollars had plans to build a new dispatch center with a price tag well over the one million dollars. They were being fiscally responsible by saving up their money before starting construction, since a project that large could not be funded from funds collected over one year. Most of the counties with larger balances had a project planned that they were saving money for. One representative suggested that counties with excess funds share them with counties who are running short. This is not allowed, and, in my opinion, it would only create more problems since some may feel they can spend and spend and not worry about a budget, assuming it will be paid for by the larger cities. It was suggested that funding of 911 services may change drastically in the future,

and the fee would be obsolete. That may be true, but until then, counties need a way to get by, and the one dollar is not enough for some.

There are no costs to the State of North Dakota to pass House Bill 1412. This bill does not give total control to the whim of county commissioners. House Bill 1412 gives each county the chance to adequately fund their 911 program, with the support of their citizens. This bill allows for local control over local costs and issues. Each county will still be responsible for following the 911 Expenditure Guidelines as set by the Emergency Services Communications Coordinating Committee.

Please give us a chance to support ourselves and stay afloat. Please recommend a "Do Pass" on House Bill 1412.

Thank you for your time.

If you have any questions for me, please feel free to call my cell phone at (701) 830-0258.

#1

Kelsh, Jerome G.

From: Wiltz, Greg M.
Sent: Tuesday, April 21, 2009 8:23 PM
To: Kelsh, Jerome G.
Subject: Ammendment to Senate Version of HB 1412
Attachments: PSAPS MAP.ppt

Jerry,

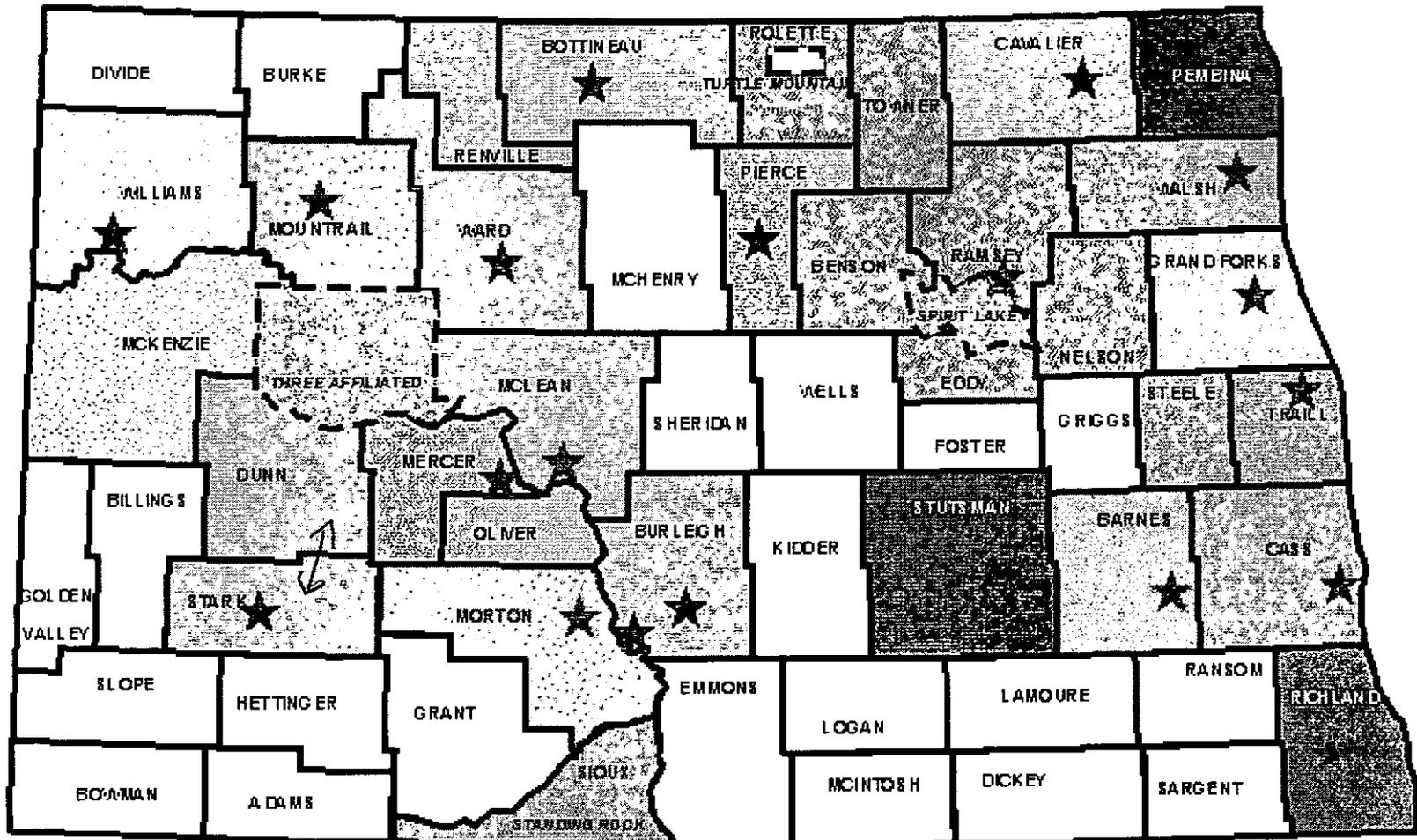
Here is my recommendation; I believe the House Version was the right approach pushing full control to local government. Given the current impasse, I believe this could work. I did get a chance to brief Mark Johnson from the Association of Counties and he stated that they would not fight the amendment but could not vouch for smaller single county PSAPS. Consider taking the Senate version of the bill and adding this amendment. I know it does not delete the 12 year vote issue; you could add it if it was prudent to do so.

AMMENDMENT to 57-40.6.02: Add to end of paragraph 1. Jurisdictions that operate a multi-county Public Safety Answering Point (PSAP) or counties that secure public safety answer services from another county, regional, or state operated PSAP may exceed the maximum fee of one dollar for a period of five years extending from July 1, 2009 through June 30, 2014 unless funding models are revised by legislative action within the five year period.

Please contact me if you have any questions.

Thank you very much for your work on this bill, I appreciate it.

Greg



★ PUBLIC SERVICE ANSWERING POINT LOCATION

Counties that would not be able to increase fees: WILLIAMS, MCKENZIE, MOUNTRAIL, WARD, MCLEAN, MORTON, STUTSMAN, CAVALIER, PEMBINA, WALSH, GRAND FORKS, BARNES, RICHLAND, BURLEIGH, PIERCE, CASS

2007 ESCS Revenues, Expenditures, & Reserves

APPENDIX C

	a)	b)	c)	d)	e)	f)
State Radio Counties	Landline Revenue	Wireless Revenue	Total Fee Revenue	Other Rev. or Reserves	Total Expenditures	Reserves Dec. 31, 2007
Adams County	16,583	15,542	32,125	-	28,000	62,315
Billings County	6,085	5,043	11,128	3,433	14,561	41,492
Bowman/Slope	29,858	23,508	53,366	23,965	77,331	40,222
Burke County	16,551	14,644	31,195	-	21,880	91,908
Dickey County	32,791	34,184	66,975	-	65,408	106,873
Divide County	16,294	11,379	27,673	-	21,391	43,374
Emmons County	23,181	19,567	42,748	4,235	46,983	21,528
Foster County	24,752	23,220	47,972	-	33,780	202,853
Golden Valley	11,719	9,633	21,351	-	17,279	45,992
Grant County	14,448	12,257	26,706	-	24,530	44,735
Griggs County	16,423	16,770	33,193	-	26,173	45,871
Hettinger County	16,148	12,589	28,737	1,375	30,111	21,352
Kidder County	16,118	15,151	31,268	69,675	100,943	10,343
LaMoure County	26,859	25,986	52,844	731	53,576	26,629
Logan County	12,723	13,511	26,234	51,408	77,642	14,092
McHenry County	31,739	51,690	83,429	-	59,029	230,504
McIntosh County	20,439	11,192	31,631	-	23,947	67,042
Ransom County	32,718	36,651	69,369	-	63,906	96,947
Sargent County	23,739	27,131	50,870	9,925	60,795	64,366
Sheridan County	10,369	7,543	17,912	4,917	22,829	9,921
Wells County	29,831	17,636	47,468	-	35,209	75,488
SUBTOTAL	429,367	404,826	834,193	169,664	905,304	1,363,846

Other Jurisdictions	Landline Revenue	Wireless Revenue	Total Fee Revenue	Other Rev. or Reserves	Total Expenditures	Reserves Dec. 31, 2007
Barnes County	41,591	84,250	125,841	-	111,778	105,126
Bismarck/Burleigh	430,608	579,545	1,010,153	612,150	1,622,303	659,404
Bottineau/Renville	66,015	75,166	141,180	134,759	275,939	312,434
Cass/City of Fargo	733,698	946,803	1,680,502	201,838	1,882,340	232,694
City of West Fargo	103,801	123,214	227,015	243,918	470,933	517,815
Cavalier County	29,886	29,720	59,607	97,781	157,388	-
Grand Forks County	313,473	464,299	777,772	1,663,264	2,441,036	1,117,497
Lake Region E-911	158,089	184,607	342,696	20,902	363,598	27,786
McKenzie County	35,961	27,031	62,992	41,430	104,422	197,782
McLean County	53,461	54,463	107,925	126,353	234,277	41,484
Mercer/Oliver E911	53,472	55,449	108,921	469,507	578,428	53,094
Morton County	129,406	177,584	306,991	158,461	465,452	750,516
Mountrail County	42,793	45,524	88,317	-	66,486	164,562
Pembina County	50,092	60,312	110,404	-	107,397	74,991
Pierce County	26,684	28,440	55,124	4,235	59,359	75,545
Richland County	96,260	105,932	202,192	403,373	605,565	1,834
Rolette County	61,666	68,508	130,175	-	27,403	109,123
Sioux County	8,776	10,194	18,970	-	12,941	24,563
Stark/Dunn	158,225	158,225	316,450	445,000	761,450	260,790
Steele/Trail	111,232	65,873	177,106	76,369	253,475	146,215
Stutsman County	120,804	122,349	243,153	162,105	405,258	202,854
Walsh County	67,630	81,317	148,947	284,693	433,640	205,979
Ward/Minot	370,214	375,196	745,411	2,378	747,789	1,999,377
Williams County	62,669	119,141	181,810	-	180,566	99,021
SUBTOTAL	3,326,509	4,043,142	7,369,652	5,148,516	12,369,223	7,380,487
TOTAL	3,755,876	4,447,969	8,203,845	5,318,180	13,274,527	8,744,333

2000 PSAP Operational Status Survey

PSAP	Agencies Dispatched			Dispatch Stations	911 Trunks	Admin Lines	911 Calls	Percent Wireless	Admin. Calls	Full-Time Staff			Part-Time Staff			Maximum Staffing			
	LE	Fire	EMS							Dispatcher	Supervisor	Other	Dispatch	Supervisor	Other	Shifts	Dispatcher	Supervisor	
Bismarck/Burlingame	3	7	8	5	5	10	21,433	39%	46,025	16	2	3				12/8 Hour	3		
Bottineau/Renville Cavalier County																			
Bottle County																			
Bottle County																			
Grand Forks	7	17	3	4	3	18	19,191	63%	115,237	10	2	5				10 Hour	2	1	
Lake Region 911	7	29	16	3	5	7	4,114	51%	9,582	8		2	1			12 Hour	2		
McKenzie County	4	14	8	3	2	5	990	17%	18,310	4		2	4			12/8 Hour	2		
McLean County	1	9	7	3	2	3	1,615	48%	17,228	6		2				8 Hour	1		
Mercer/Oliver E911	6	7	3	2	2	6	1,584	40%	19,213	10	1					8 Hour	2	1	
Minot Central	5	17	10	3	4	13	11,896	59%	107,017	12		1	1	3		8 Hour	2	1	
Morton/Mandan	2	7	6	3	3	22	14,379	60%	165,359	12	2				2	12/8 Hour	3	1	
Mountrail County	3	11	8	3	8	10	3,563	36%	24,095	5		2				8 Hour	1		
NDDIS/State Radio	50+	100+	50+	8	12	5	16,800	45%	60,000	24	4	5				12 Hour	5	1	
Pembina County	5	10	9	3	2	3	1,187	40%	15,698	6					3	12/8 Hour	2		
Red River Regional	9	27	16	7	10	10	51,842	62%	178,517	22	6	3				10 Hour	5	1	
Richland County	5	16	15	4	6	6	2,259	91%	15,222	7	2	2				12/8 Hour	2	1	
Stark/Dunn	6	9	5	6	3	15	7,302	66%	51,298	10	1	10				12 Hour	2		
Stutsman County	2	14	8	3	3	11	4,193	57%	71,438	2		2	7	3		8 Hour	1	1	
Valley City/Barnes	2	15	15	3	2	6	2,975	66%	68,255	6	2					12/8 Hour	1		
Walsh County	2	11	9	3	3	7	3,581	67%	41,288	5	1		1		2	8 Hour	2		
Williston/Williams	3	8	6	2	3	5	5,697	36%	22,866	6	1					10 Hour	1		
Trull/Steele	5	13	8	2	2	6	1,699	60%	21,000	4			1		1		2		
Sum	113	385	141	76	86	182	179,039	55%	1,107,451	186	24	38	20	6	9		44	9	

Sum services dispatched by multiple PSAPs

PSAP	Controller	Mapping	GIS	Radio Console	Internet/Local Services	Logging Recorder	Logging Capacity	Recording System	Mass Mail	Public Provider	Language
Bismarck/Burlingame	Flintoff	GeoTech/Car	Shaward/HTE	Medtron	Flintoff	NICE	38	CD	Medtron	Electronic DDC	French
Grand Forks	Fischer	www3.com	CSAC	Medtron	Evertch	Evertch	43	DVD Drive		City/Abdi	French
Lake Region 911	Zetson	Sawed		Zetson	Zetson	Comlog	24	Digital Cap	Emergency	City/Abdi	French
McKenzie County	Fischer	Mappr		Zetson	Zetson	Evertch	15	DVD			French
McLean County	Zetson	Sawed		Zetson	Zetson	Evertch	15	DVD			French
Mercer/Oliver E911	Fischer	Sawed		Zetson	Zetson	Ats	15	CD			French
Minot Central	Madryne	Madryne	Madryne	Medtron	Edgelyne	Ats	43	DVD	Spectro	Public Notify	French
Morton/Mandan	Fischer	Madryne	Madryne	Medtron	Madryne	Evertch	43	DVD	Fischer		French
Mountrail County	Zetson	Madryne		Medtron	Zetson	Larch	24	DVD		City/Abdi	French
NDDIS/State Radio	Zetson	Sawed		Medtron	Zetson	Evertch					French/CD
Pembina County	Zetson	Madryne		Medtron	Evertch	Evertch	15	Tag	Medtron	City/Abdi	French
Red River Regional	Fischer	Madryne	Boeing	Medtron	NICE	NICE	52	CD	Spectro	Carls Fuel	French
Richland County	Flintoff	Madryne	CS	Medtron	Zetson	Highway	35	CD		Emergency 911	French
Stark/Dunn	Zetson	Madryne	Madryne	Zetson	Zetson	Evertch	32	CD	Spectro	City/Abdi	French
Stutsman County	Zetson	Madryne	CS	Medtron	Zetson	Evertch	32	DVD		City/Abdi	French
Valley City/Barnes	Fischer	Madryne		Medtron	Fischer	Ats	15	DVD		Carls Fuel	French
Walsh County	Fischer	Madryne		Medtron	Ats	Ats	24	DVD/CD		Ats	French
Williston/Williams	Fischer	Power Map		Medtron	Ats	Ats	15	Digital		City/Abdi	French
Trull/Steele	Zetson	Sawed									French

APPENDIX D

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1412

Page 1, line 17, after the period insert "Jurisdictions that operate a multi-county Public Safety Answering Point (PSAP) or counties that secure public safety answer services from another county, regional, or state operated PSAP may charge a maximum fee of one dollar and fifty cents for a period of five years extending from July 1, 2009 through June 30, 2014 unless funding models are revised by legislative action within the five-year period. If the counties are in need of a higher fee, it may be increased by a majority vote of the electors in a general or primary election."

Page 3, after line 9, insert:

"6. Under this section, jurisdictions that appear to operate as single-county Public Safety Answering Points (PSAPs), but that cooperate with public safety answer services from another county, regional, or state operated PSAP across the state border, qualify as regional PSAPs."

Renumber accordingly

2009 911 Budget

County	Projected Starting Balance	Estimated Revenues	Estimated Program Costs	Projected Surplus / Deficit Based on Fee Increase	Notes
Adams	\$69,039.07	\$34,000.00	\$39,000.00	\$64,039.07	
Billings					Unavailable
Bowman	\$33,718.00	\$42,500.00	\$72,258.00	\$3,960.00	Projected 2010 = \$22,498.00 Deficit
Burke	\$64,769.00	\$16,068.00	\$54,080.00	\$14,112.00	
Dickey	\$30,812.00	\$30,000.00	\$59,558.00	\$1,254.00	Projected 2010 = \$36,304.00 Deficit
Divide	\$50,916.18	\$26,000.00	\$40,800.00	\$36,161.18	
Emmons	\$18,580.38	\$48,038.58	\$52,100.25	\$4,061.67	Deficit this year
Foster	\$106,333.00	\$51,127.00	\$109,360.00	\$3,027.00	Deficit next year
Golden Valley	\$46,582.00	\$22,002.00	\$32,125.00	\$36,459.00	
Grant	\$50,911.06	\$11,000.00	\$34,409.36	\$27,501.70	Deficit end of next year
Griggs	\$46,914.00	\$33,250.00	\$59,479.00	\$20,685.00	Projected 2010 = \$127 Deficit
Hettinger					
LaMoure	\$42,372.00	\$53,865.00	\$60,468.00	\$35,769.00	
Logan					Unavailable
McHenry	\$132,310.00	\$40,000.00	\$43,465.00	\$128,824.00	
McIntosh	\$16,951.00	\$37,515.00	\$46,968.00	\$7,498.00	Deficit next year
Kidder	\$20,338.00	\$37,000.00	\$36,000.00	\$1,000.00	Deficit next year
Ransom	\$102,442.00	\$52,000.00	\$98,712.00	\$55,729.00	
Sargent	\$30,000.00	\$52,000.00	\$94,000.00	\$12,000.00	Deficit this year
Sheridan	\$12,447.00	\$18,520.00	\$16,890.00	\$14,077.00	
Wells	\$79,700.00	\$57,000.00	\$61,235.00	\$4,235.00	Deficit this year