

**Sixty-fifth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2017**

HOUSE BILL NO. 1178
(Representatives Porter, Heinert, Nathe, Owens)
(Senators D. Larson, G. Lee, Wardner)

AN ACT to create and enact a new section to chapter 37-17.3 of the North Dakota Century Code, relating to the creation of a statewide interoperable radio network fund; to amend and reenact subsection 1 of section 37-17.3-02.2, subsection 4 of section 54-59-05, section 57-40.6-02, and subsection 1 of section 57-40.6-14 of the North Dakota Century Code, relating to the statewide interoperability executive committee, the powers and duties of the information technology department, the assessed communications service fee, and the prepaid wireless emergency 911 fee; to authorize borrowing authority; to provide an appropriation; to provide statements of legislative intent; to provide for a budget section report; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 37-17.3 of the North Dakota Century Code is created and enacted as follows:

Statewide interoperable radio network fund.

1. A fund known as the statewide interoperable radio network fund must be maintained in the state treasury. Subject to legislative approval and statewide interoperability executive committee approval, moneys in the fund must be used for providing the required state share of funding for expenses associated with the purchase, installation, operation, and maintenance of a statewide interoperable radio network. The fund consists of all moneys transferred into the fund, interest earned on moneys in the fund, payments to the fund, and other fund earnings.
2. The chief information officer of the information technology department may apply for and accept funds, grants, gifts, or services made available for the statewide interoperable radio network by an agency or department of the federal government or any other person. Any funds, grants, or gifts, or moneys received from services received under this section must be deposited in the statewide interoperable radio network fund.
3. Revenue received by a political subdivision in accordance with subsection 2 of section 57-40.6-02 must be remitted to the state treasurer for deposit in the statewide interoperable radio network fund.

SECTION 2. AMENDMENT. Subsection 1 of section 37-17.3-02.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The statewide interoperability executive committee consists of:
 - a. The director of state radio or a designee;
 - b. The director of the division of homeland security or a designee;
 - c. The superintendent of the highway patrol or a designee;
 - d. The adjutant general or a designee;
 - e. The director of the department of transportation or a designee;
 - f. A representative of the North Dakota sheriff's and deputies association;

- g. A representative of the North Dakota emergency managers association;
- h. A representative of the North Dakota fire chiefs association;
- i. A representative of the North Dakota emergency medical services association;
- j. A representative of the North Dakota police chiefs association;
- k. A representative of the North Dakota peace officers association;
- l. A representative of the North Dakota 911 association; and
- m. The North Dakota chief information officer or a designee;
- n. The North Dakota Indian affairs commission executive director or a designee; and
- o. One member of the North Dakota house of representatives and one member of the North Dakota senate appointed by the legislative management.

SECTION 3. AMENDMENT. Subsection 4 of section 54-59-05 of the North Dakota Century Code is amended and reenacted as follows:

- 4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. ~~With the exception of agreements entered related to the statewide interoperable radio network, an~~ agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of five years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the budget section of the legislative management or the legislative assembly before executing a financing agreement. If the budget section or the legislative assembly does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. ~~The~~ With the exception of financing for the statewide interoperable radio network, the department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed seven and one-half percent of the amount appropriated to the department during that biennium.

SECTION 4. AMENDMENT. Section 57-40.6-02 of the North Dakota Century Code is amended and reenacted as follows:

57-40.6-02. Authority of counties or cities to impose fee on assessed communications service - Procedure.

The governing body of a county or city may impose a fee on all assessed communications services in accordance with the following requirements:

- 1. The governing body shall adopt a resolution that proposes the adoption of the fee permitted under this section. The resolution must specify an effective date for the fee which is no more than two years before the expected implementation date of the emergency services communication system to be funded by the fee. The resolution must include a provision for submitting the proposed fee to the electors of the county or city before the imposition of the fee is effective. The resolution must specify a fee that does not exceed one dollar and fifty cents per month per communication connection and must be applied equally upon all assessed communications services. Prepaid wireless service is not subject to the fee imposed under this section.
- 2. A political subdivision shall add a fee of fifty cents to the fee imposed on assessed communications services established under subsection 1. The additional fifty cents per communication connection must be remitted to the state treasurer for deposit in the statewide

interoperable radio network fund in accordance with section 1 of this Act for implementing a statewide interoperable radio network. The funds collected under this subsection must be expended in a manner consistent with the recommendations of the statewide interoperability executive committee.

3. The question of the adoption of the fee must be submitted on a petition on which the petition title of the proposition includes the maximum monthly rate of the proposed fee authorized under subsection 1. The question of the adoption of the fee may be submitted to electors at a general, primary, or special election or at a school district election if the boundaries of the school district are coterminous with the boundaries of the governing body adopting the resolution proposing the adoption of the fee. The fee is not effective unless it is approved by a majority of the electors voting on the proposition. The ballot must be worded so that a "yes" vote authorizes imposition of the fee.
- ~~3.4.~~ Once established by this section, the maximum fee may be increased, decreased, or eliminated by a majority vote of the electors. The question may be placed on the ballot of any general, primary, or special election by a resolution of the governing body, or by a petition signed by ten percent or more of the total number of qualified electors of the political subdivision voting for governor at the most recent gubernatorial election and submitted to the governing body. By action of the governing body, the fee amount collected may be adjusted, subject to the maximum approved by the voters, to meet the costs allowed by this chapter.
- ~~4.5.~~ In any geographic area, only one political subdivision may impose the fee and imposition must be based on the subscriber service address.
- ~~5.6.~~ In the interest of public safety, where the subscriber's telephone exchange access service boundary and the boundary of the political subdivision imposing the fee do not coincide, and where all of the political subdivisions within the subscriber's telephone exchange access service boundary have not complied with subsection 1, and where a majority of the subscribers within the subscriber's telephone exchange access service boundary have voted for the fee, a telephone exchange access service subscriber whose subscriber service address is outside the political subdivision may receive 911 services by signing a contract agreement with the political subdivision providing the emergency services communication system. The telephone exchange access service provider may collect an additional fee, equal in amount to the basic fee on those subscribers within the exchange boundary. The additional fee amounts collected must be remitted as provided in this chapter.
- ~~6.7.~~ A fee imposed under this section before August 1, 2007, on telephone exchange access service is extended to all assessed communications services and will remain in effect until changed pursuant to subsection ~~34~~.

SECTION 5. AMENDMENT. Subsection 1 of section 57-40.6-14 of the North Dakota Century Code is amended and reenacted as follows:

1. There is imposed a prepaid wireless emergency 911 fee of two and one-half percent on the gross receipts of sellers from all sales at retail of prepaid wireless services in this state.
 - a. A retail transaction that is made, in person, by a consumer at a business location of the seller shall be treated as occurring in this state if that business location is in this state. Any other retail transaction shall be treated as occurring in this state if the retail transaction is treated as occurring in this state under the provisions of chapter 57-39.4 as those provisions apply to a prepaid wireless calling service.
 - b. Prepaid wireless emergency 911 fees collected by sellers shall be remitted to the commissioner.
 - c. An entity required to collect and remit the prepaid wireless emergency 911 fee shall register with the commissioner. The registration shall be made in the form prescribed by

the commissioner, in which the registrant shall identify the name under which the registrant transacts or intends to transact business, the location of the business, the federal identification number, and other information as the commissioner may require.

- d. Gross receipts from sales at retail of prepaid wireless services are exempt from the prepaid wireless emergency 911 fee imposed by this section when the sale is made to a person entitled to a sales and use tax exemption under subsection 6 or 12 of section 57-39.2-04.

SECTION 6. STATEWIDE INTEROPERABLE RADIO NETWORK IMPLEMENTATION - FUTURE EXPENDITURES. During the 2017-18 interim, the information technology department shall begin implementation of a statewide interoperable radio network based on findings in the North Dakota statewide interoperable network feasibility study and its recommendations as adopted by the statewide interoperability executive committee. Current and future appropriations and local government contributions for improvement or expansion of state or local public safety land mobile radio systems must be expended in a manner consistent with the recommendations of the statewide interoperability executive committee and only for solutions that are determined by the committee to be interoperable and functional with the statewide system.

SECTION 7. LOAN AUTHORIZATION - APPROPRIATION - STATEWIDE INTEROPERABLE RADIO NETWORK - BUDGET SECTION REPORTS. The information technology department may obtain a loan, subject to budget section approval, from the Bank of North Dakota in an amount not to exceed \$15,000,000, the sum of which is appropriated to the information technology department, for the purpose of defraying the expenses of the statewide interoperable radio network for the biennium beginning July 1, 2017, and ending June 30, 2019. The term of the loan may not exceed six years. The loan authorized in this section must be repaid from funds available in the statewide interoperable radio network fund. During the 2017-18 interim, the information technology department shall provide status reports to the budget section regarding the implementation and progress of the statewide interoperable radio network.

SECTION 8. LEGISLATIVE INTENT - RADIO FREQUENCIES. By September 30, 2018, all North Dakota entities operating a public-safety answering point shall relinquish legal rights to any radio frequency required for the statewide interoperable radio network trunk system, allowing these frequencies to be utilized by the state of North Dakota for the use of this network.

SECTION 9. LEGISLATIVE INTENT - STATEWIDE INTEROPERABLE RADIO NETWORK CONSOLIDATION. It is the intent of the sixty-fifth legislative assembly that during the 2017-18 interim, the information technology department and statewide interoperability executive committee make efforts to consolidate certain functions within the statewide interoperable radio network.

SECTION 10. EXPIRATION DATE. This Act is effective through July 31, 2023, and after that date is ineffective.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1178.

House Vote: Yeas 84 Nays 7 Absent 3

Senate Vote: Yeas 31 Nays 16 Absent 0

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2017.

Approved at _____ M. on _____, 2017.

Governor

Filed in this office this _____ day of _____, 2017,

at _____ o'clock _____ M.

Secretary of State