

1 To: Senator Cohen, Chair

2 Committee on Finance

3 Senator Ranum,


4 Chair of the Public Safety Budget Division, to which was  
5 referred

6 S.F. No. 123: A bill for an act relating to judiciary;  
7 increasing the penalty for certain interference with privacy  
8 offenses; amending Minnesota Statutes 2004, section 609.746,  
9 subdivision 1.

10 Reports the same back with the recommendation that the bill  
11 do pass and be referred to the full committee.

12

13

  
.....  
(Division Chair)

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April 11, 2005.....  
(Date of Division action)

1 To: Senator Cohen, Chair

2 Committee on Finance

3 Senator Ranum,

4 Chair of the Public Safety Budget Division, to which was  
5 referred

6 S.F. No. 349: A bill for an act relating to crime  
7 prevention and public safety; modifying the crime of murder in  
8 the first degree; amending Minnesota Statutes 2004, section  
9 609.185.

10 Reports the same back with the recommendation that the bill  
11 do pass and be referred to the full committee.

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.....  
(Division Chair)

April 11, 2005.....  
(Date of Division action)

1 To: Senator Cohen, Chair

2 Committee on Finance

3 Senator Ranum,

4 Chair of the Public Safety Budget Division, to which was  
5 referred

6 S.F. No. 2160: A bill for an act relating to claims  
7 against the state; providing for settlement of various claims;  
8 increasing amount of allowable reimbursement for certain damage  
9 by inmates; appropriating money; amending Minnesota Statutes  
10 2004, section 3.755.

11 Reports the same back with the recommendation that the bill  
12 do pass and be referred to the full committee.

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.....  
(Division Chair)

April 11, 2005.....  
(Date of Division action)

# DIVISION REPORT - NO AMENDMENTS

TO:

Full Finance Committee

FROM:

Public Safety Budget Division

S. F. No. 349

**Division recommendation:**

the bill be recommended to pass and be referred to the full committee.

the bill \_\_\_\_\_.

4-11-05 (date of division action)

# DIVISION REPORT - NO AMENDMENTS

TO:

Full Finance Committee

FROM:

Public Safety Budget Division

S . F. No. 2160

**Division recommendation:**

the bill be recommended to pass and be referred to the full committee.

the bill \_\_\_\_\_.

4.11.05 (date of division action)

# DIVISION REPORT - NO AMENDMENTS

TO:

Full Finance

Committee

FROM:

Public Safety Budget

Division

S . F. No. 123

Division recommendation:

the bill be recommended to pass and be referred to the full committee.

the bill \_\_\_\_\_.

4-11-05

(date of division action)

**Senate Counsel, Research,  
and Fiscal Analysis**

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# Senate

State of Minnesota

## **S.F. No. 123 -Interference with Privacy (First Engrossment)**

**Author:** Senator Paul Koering

**Prepared by:** Chris Turner, Senate Research (651/296-4350) CT

**Date:** April 1, 2005

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The bill enhances the misdemeanor “interference with privacy” crime (Minnesota Statutes, section 609.746) to a gross misdemeanor, and the gross misdemeanor crime (applicable to repeat offenders and crimes involving victims under the age of 18) to a felony.

CT:vs

**Consolidated Fiscal Note – 2005-06 Session**

**Bill #:** S0123-1E **Complete Date:** 03/29/05

**Chief Author:** KOERING, PAUL

**Title:** CRIME OF INTERFERENCE WITH PRIVACY

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     |            | X         |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agencies:** Corrections Dept (03/29/05)  
Public Defense Board (03/21/05)

Supreme Court (03/29/05)  
Sentencing Guidelines Comm (03/23/05)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| <b>Dollars (in thousands)</b>                  | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Net Expenditures</b>                        |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Revenues</b>                                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Cost &lt;Savings&gt;</b>                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Total Cost &lt;Savings&gt; to the State</b> |             |             |             |             |             |

|                              | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Full Time Equivalents</b> |             |             |             |             |             |
| -- No Impact --              |             |             |             |             |             |
| <b>Total FTE</b>             |             |             |             |             |             |

**Consolidated EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING  
Date: 03/29/05 Phone: 296-7964



**Fiscal Note – 2005-06 Session**

**Bill #:** S0123-1E **Complete Date:** 03/29/05

**Chief Author:** KOERING, PAUL

**Title:** CRIME OF INTERFERENCE WITH PRIVACY

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     |            | X         |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agency Name:** Corrections Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands)                         | FY05 | FY06 | FY07 | FY08 | FY09 |
|--|------|------|------|------|------|
| <b>Expenditures</b>                            |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Less Agency Can Absorb</b>                  |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Net Expenditures</b>                        |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Revenues</b>                                |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Net Cost &lt;Savings&gt;</b>                |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Total Cost &lt;Savings&gt; to the State</b> |      |      |      |      |      |

|                              | FY05 | FY06 | FY07 | FY08 | FY09 |
|------------------------------|------|------|------|------|------|
| <b>Full Time Equivalents</b> |      |      |      |      |      |
| -- No Impact --              |      |      |      |      |      |
| <b>Total FTE</b>             |      |      |      |      |      |

## **SF 123 Interference With Privacy**

### **Bill Description**

This bill elevates the misdemeanor offenses in MN statute 609.746 to gross misdemeanors. This statute covers offenses related to surreptitious intrusion on privacy. It also elevates the gross misdemeanor offenses in that statute to felonies. The gross misdemeanors involve repeat offenders and crimes against victims under 18. The felony offense has a statutory maximum of two years.

### **Assumptions**

- According to Minnesota Sentencing Guidelines Commissions it is assumed that the elevation of these crimes will not increase the number of new cases year each.
- This bill is projected to minimal impact on state prison resources, as offenders sentenced are likely to receive probationary sentences.
- This bill will have minimal impact on supervision caseloads statewide.
- However, with each new or enhanced penalty enacted by the Legislature, the accumulative effect on already overcrowded caseloads and stretched resources could be significant.
- This bill will be effective August 1, 2005.

### **Expenditure and/or Revenue Formula**

N/A

### **Long-Term Fiscal Considerations**

N/A

### **Local Government Costs**

The impact on local jurisdictions is estimated to be minimal.

### **References/Sources**

Minnesota Sentencing Guidelines staff.  
Minnesota Department of Corrections staff.

FN Coord Signature: DENNY FONSECA

Date: 03/28/05 Phone: 642-0220

### **EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING

Date: 03/29/05 Phone: 296-7964

**Fiscal Note – 2005-06 Session**

**Bill #:** S0123-1E **Complete Date:** 03/29/05

**Chief Author:** KOERING, PAUL

**Title:** CRIME OF INTERFERENCE WITH PRIVACY

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     |            | X         |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agency Name:** Supreme Court

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands)                         | FY05 | FY06 | FY07 | FY08 | FY09 |
|--|------|------|------|------|------|
| <b>Expenditures</b>                            |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Less Agency Can Absorb</b>                  |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Net Expenditures</b>                        |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Revenues</b>                                |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Net Cost &lt;Savings&gt;</b>                |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Total Cost &lt;Savings&gt; to the State</b> |      |      |      |      |      |

|                              | FY05 | FY06 | FY07 | FY08 | FY09 |
|------------------------------|------|------|------|------|------|
| <b>Full Time Equivalents</b> |      |      |      |      |      |
| -- No Impact --              |      |      |      |      |      |
| <b>Total FTE</b>             |      |      |      |      |      |

**Bill Description** This bill elevates the misdemeanor offenses in MN statute 609.746 to gross misdemeanors. This statute covers offenses related to surreptitious intrusion on privacy. It also elevates the gross misdemeanor offenses in that statute to felonies. The gross misdemeanors involve repeat offenders and crimes against victims under 18. The felony offense has a statutory maximum of two years.

The effective date for this bill is August 1, 2005 and it applies to crimes committed on or after that date.

**Assumptions**

It is assumed that the elevation of these crimes will not result in an increase in the number of cases sentenced each year. Information from the State Court Research Office indicates that in 2004, there were 23 misdemeanor and 10 gross misdemeanor convictions for violations of M.S. 609.746. It is assumed that this bill will result in a similar number of gross misdemeanor and felony cases in the future.

**Expenditure and/or Revenue Formula**

This bill is not expected to increase the workload of the courts significantly because of the small number of cases.

**Long-Term Fiscal Considerations**

**Local Government Costs**

**References/Sources**

FN Coord Signature: JUDY REHAK  
Date: 03/25/05 Phone: 297-7800

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING  
Date: 03/29/05 Phone: 296-7964

**Fiscal Note – 2005-06 Session**

**Bill #:** S0123-1E **Complete Date:** 03/23/05

**Chief Author:** KOERING, PAUL

**Title:** CRIME OF INTERFERENCE WITH PRIVACY

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     |            | X         |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agency Name:** Sentencing Guidelines Comm

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| <b>Dollars (in thousands)</b>                  | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Expenditures</b>                            |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Less Agency Can Absorb</b>                  |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Expenditures</b>                        |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Revenues</b>                                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Cost &lt;Savings&gt;</b>                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Total Cost &lt;Savings&gt; to the State</b> |             |             |             |             |             |

|                              | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Full Time Equivalents</b> |             |             |             |             |             |
| -- No Impact --              |             |             |             |             |             |
| <b>Total FTE</b>             |             |             |             |             |             |

**Bill Description**

This bill elevates the misdemeanor offenses in MN statute 609.746 to gross misdemeanors. This statute covers offenses related to surreptitious intrusion on privacy. It also elevates the gross misdemeanor offenses in that statute to felonies. The gross misdemeanors involve repeat offenders and crimes against victims under 18. The felony offense has a statutory maximum of two years.

The effective date for this bill is August 1, 2005 and it applies to crimes committed on or after that date.

**Assumptions**

It is assumed that the elevation of these crimes will not result in an increase in the number of cases sentenced each year. Information from the Sate Court Research Office indicates that in 2004, there were 23 misdemeanor and 10 gross misdemeanor convictions for violations of M.S. 609.746. It is assumed that this bill will result in a similar number of gross misdemeanor and felony cases in the future. It is assumed that the felony offenses will be ranked at a severity level where most offenders receive probationary sentences. Aggravated Harassment offenses and subsequent Harassment offenses (609.749) are ranked at severity level 4, and it is assumed that the new felony offense will be ranked at that level or slightly lower.

**Impact on State and Local Correctional Resources**

Since the number of new felony offenders is likely to be very limited and most offenders who commit this offense are likely to receive probation sentences, the impact on state prison resources is estimated to be minimal. Because only a small number of offenders are sentenced for misdemeanor offenses each year, elevating these offenses to gross misdemeanors should only have a minimal impact on local correctional resources.

FN Coord Signature: ANNE WALL  
Date: 03/23/05 Phone: 296-0144

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING  
Date: 03/23/05 Phone: 296-7964

**Fiscal Note – 2005-06 Session**

**Bill #:** S0123-1E **Complete Date:** 03/21/05

**Chief Author:** KOERING, PAUL

**Title:** CRIME OF INTERFERENCE WITH PRIVACY

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     |            | X         |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agency Name:** Public Defense Board

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| <b>Dollars (in thousands)</b>                  | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Expenditures</b>                            |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Less Agency Can Absorb</b>                  |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Expenditures</b>                        |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Revenues</b>                                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Cost &lt;Savings&gt;</b>                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Total Cost &lt;Savings&gt; to the State</b> |             |             |             |             |             |

|                             | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Full Time Equivalent</b> |             |             |             |             |             |
| -- No Impact --             |             |             |             |             |             |
| <b>Total FTE</b>            |             |             |             |             |             |

This bill version has no fiscal effect on our agency.

FN Coord Signature: KEVIN KAJER  
Date: 03/21/05 Phone: 349-2565

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING  
Date: 03/21/05 Phone: 296-7964



1 A bill for an act

2 relating to judiciary; increasing the penalty for  
3 certain interference with privacy offenses; amending  
4 Minnesota Statutes 2004, section 609.746, subdivision  
5 1.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. Minnesota Statutes 2004, section 609.746,  
8 subdivision 1, is amended to read:

9 Subdivision 1. [SURREPTITIOUS INTRUSION; OBSERVATION  
10 DEVICE.] (a) A person is guilty of a gross misdemeanor who:

11 (1) enters upon another's property;

12 (2) surreptitiously gazes, stares, or peeps in the window  
13 or any other aperture of a house or place of dwelling of  
14 another; and

15 (3) does so with intent to intrude upon or interfere with  
16 the privacy of a member of the household.

17 (b) A person is guilty of a gross misdemeanor who:

18 (1) enters upon another's property;

19 (2) surreptitiously installs or uses any device for  
20 observing, photographing, recording, amplifying, or broadcasting  
21 sounds or events through the window or any other aperture of a  
22 house or place of dwelling of another; and

23 (3) does so with intent to intrude upon or interfere with  
24 the privacy of a member of the household.

25 (c) A person is guilty of a gross misdemeanor who:

1 (1) surreptitiously gazes, stares, or peeps in the window  
2 or other aperture of a sleeping room in a hotel, as defined in  
3 section 327.70, subdivision 3, a tanning booth, or other place  
4 where a reasonable person would have an expectation of privacy  
5 and has exposed or is likely to expose their intimate parts, as  
6 defined in section 609.341, subdivision 5, or the clothing  
7 covering the immediate area of the intimate parts; and

8 (2) does so with intent to intrude upon or interfere with  
9 the privacy of the occupant.

10 (d) A person is guilty of a gross misdemeanor who:

11 (1) surreptitiously installs or uses any device for  
12 observing, photographing, recording, amplifying, or broadcasting  
13 sounds or events through the window or other aperture of a  
14 sleeping room in a hotel, as defined in section 327.70,  
15 subdivision 3, a tanning booth, or other place where a  
16 reasonable person would have an expectation of privacy and has  
17 exposed or is likely to expose their intimate parts, as defined  
18 in section 609.341, subdivision 5, or the clothing covering the  
19 immediate area of the intimate parts; and

20 (2) does so with intent to intrude upon or interfere with  
21 the privacy of the occupant.

22 (e) A person is guilty of a gross-misdemeanor felony and  
23 may be sentenced to imprisonment for not more than two years or  
24 to payment of a fine of not more than \$5,000, or both, if the  
25 person:

26 (1) violates this subdivision after a previous conviction  
27 under this subdivision or section 609.749; or

28 (2) violates this subdivision against a minor under the age  
29 of ~~16~~ 18, knowing or having reason to know that the minor is  
30 present.

31 (f) Paragraphs (b) and (d) do not apply to law enforcement  
32 officers or corrections investigators, or to those acting under  
33 their direction, while engaged in the performance of their  
34 lawful duties. Paragraphs (c) and (d) do not apply to conduct  
35 in: (1) a medical facility; or (2) a commercial establishment  
36 if the owner of the establishment has posted conspicuous signs

1 warning that the premises are under surveillance by the owner or  
2 the owner's employees.

3        [EFFECTIVE DATE.] This section is effective August 1, 2005,  
4 and applies to crimes committed on or after that date.

**Senate Counsel, Research,  
and Fiscal Analysis**

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DIRECTOR

**Senate**

State of Minnesota

**S.F. No. 349 -Expanding the Definition of First-Degree Murder**

**Author:** Senator Leo T. Foley

**Prepared by:** Chris Turner, Senate Research (651/296-4350) *CT*

**Date:** February 22, 2005

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**Section 1** expands the crime of first-degree murder for child abusers. Currently, the crime applies to offenders who cause the death of a child while committing child abuse where the offender has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference to human life. Expands the applicability of the provision to include situations where the past pattern of child abuse was upon any child, not just the victim.

**Section 2** provides an immediate effective date.

CT:vs

**Consolidated Fiscal Note – 2005-06 Session**

**Bill #:** S0349-0 **Complete Date:** 03/07/05

**Chief Author:** FOLEY, LEO

**Title:** EXPAND CRIME OF FIRST DEGREE MURDER

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     |            | X         |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agencies:** Corrections Dept (03/01/05)  
Public Defense Board (03/02/05)

Supreme Court (03/07/05)  
Sentencing Guidelines Comm (03/01/05)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| <b>Dollars (in thousands)</b>                  | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Net Expenditures</b>                        |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Revenues</b>                                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Cost &lt;Savings&gt;</b>                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Total Cost &lt;Savings&gt; to the State</b> |             |             |             |             |             |

|                              | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Full Time Equivalents</b> |             |             |             |             |             |
| -- No Impact --              |             |             |             |             |             |
| <b>Total FTE</b>             |             |             |             |             |             |

**Consolidated EBO Comments**

The affected agencies estimate no fiscal impact through FY 09, because offenders who might be sentenced under the bill's provisions would already be receiving executed prison sentences under current law. The Sentencing Guidelines Commission notes that few sentences imposed from 2001 to 2003 would appear to have been affected by the changes in this bill. For the small number of offenders who might be affected, additional state costs would not be incurred until after the completion of executed sentences under current law, minimally about eight years for Unintentional Second Degree Murder and 17 years for Intentional Second Degree Murder. Future costs are expected to be minimal.

EBO Signature: JIM KING  
Date: 03/07/05 Phone: 296-7964

**Fiscal Note – 2005-06 Session**

**Bill #:** S0349-0 **Complete Date:** 03/01/05

**Chief Author:** FOLEY, LEO

**Title:** EXPAND CRIME OF FIRST DEGREE MURDER

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     |            | X         |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agency Name:** Corrections Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| <b>Dollars (in thousands)</b>                  | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Expenditures</b>                            |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Less Agency Can Absorb</b>                  |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Expenditures</b>                        |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Revenues</b>                                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Cost &lt;Savings&gt;</b>                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Total Cost &lt;Savings&gt; to the State</b> |             |             |             |             |             |

|                             | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Full Time Equivalent</b> |             |             |             |             |             |
| -- No Impact --             |             |             |             |             |             |
| <b>Total FTE</b>            |             |             |             |             |             |

## **S.F. 349 Expansion of First Degree Murder**

### **Bill Description**

This bill modifies clause 5 of 609.185-Murder in the First Degree. That clause states that a First Degree Murder is committed if it takes place while the perpetrator is committing child abuse, if that person has engaged in a past pattern of child abuse against that child. This bill amends that clause to provide that the murder of a child while committing child abuse is First Degree Murder if the perpetrator has engaged in a past pattern of child abuse against any child.

### **Assumptions**

- According to the Sentencing Guidelines Commission, offenders sentenced under the provisions of this bill would receive a longer executed prison sentence. This will have a minimal positive impact on supervision caseloads statewide.
- The SGC looked at the number of offenders who are currently being convicted of second degree murder or some type of manslaughter, instead are convicted of First Degree Murder, there is the potential for some impact on state correctional resources. An offender sentenced for Intentional Second Degree Murder who has no prior record, and receives the recommended Guidelines sentence, would serve a minimum of 204 months (2/3 of 306 months) before release. If, in the future, that offender receives a Life sentence for First Degree Murder, they would serve a minimum of 360 months (30 years) before being eligible to be considered for release, a difference of 156 months. Each such offender would serve at least an additional 13 years over the period of his or her incarceration. An offender sentenced for Unintentional Second Degree Murder who has no prior record, and receives the recommended Guidelines sentence, would serve a minimum of 100 months (2/3 of 150 months) before release. The difference from a Life sentence in minimal time served is 260 months. Each such offender would serve an additional 21.5 years over the course of his or her incarceration.
- This bill is effective following the day of enactment.

### **Expenditure and/or Revenue Formula**

N/A

### **Long-Term Fiscal Considerations**

N/A

### **Local Government Costs**

N/A

### **References/Sources**

Minnesota Sentencing Guidelines staff.  
Minnesota Department of Corrections staff.

FN Coord Signature: DENNY FONSECA  
Date: 02/25/05 Phone: 642-0220

### **EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING  
Date: 03/01/05 Phone: 296-7964

**Fiscal Note – 2005-06 Session**

**Bill #:** S0349-0 **Complete Date:** 03/07/05

**Chief Author:** FOLEY, LEO

**Title:** EXPAND CRIME OF FIRST DEGREE MURDER

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     |            | X         |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agency Name:** Supreme Court

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| <b>Dollars (in thousands)</b>                  | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Expenditures</b>                            |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Less Agency Can Absorb</b>                  |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Expenditures</b>                        |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Revenues</b>                                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Cost &lt;Savings&gt;</b>                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Total Cost &lt;Savings&gt; to the State</b> |             |             |             |             |             |

|                              | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Full Time Equivalents</b> |             |             |             |             |             |
| -- No Impact --              |             |             |             |             |             |
| <b>Total FTE</b>             |             |             |             |             |             |



This bill version has no fiscal effect on our agency.

FN Coord Signature: JUDY REHAK  
Date: 03/05/05 Phone: 297-7800

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING  
Date: 03/07/05 Phone: 296-7964

**Fiscal Note – 2005-06 Session**

**Bill #:** S0349-0 **Complete Date:** 03/01/05

**Chief Author:** FOLEY, LEO

**Title:** EXPAND CRIME OF FIRST DEGREE MURDER

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     |            | X         |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agency Name:** Sentencing Guidelines Comm

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| <b>Dollars (in thousands)</b>                  | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Expenditures</b>                            |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Less Agency Can Absorb</b>                  |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Expenditures</b>                        |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Revenues</b>                                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Cost &lt;Savings&gt;</b>                |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Total Cost &lt;Savings&gt; to the State</b> |             |             |             |             |             |

|                              | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Full Time Equivalents</b> |             |             |             |             |             |
| -- No Impact --              |             |             |             |             |             |
| <b>Total FTE</b>             |             |             |             |             |             |

### **Bill Description**

This bill modifies clause 5 of 609.185-Murder in the First Degree. That clause states that a First Degree Murder is committed if it takes place while the perpetrator is committing child abuse, if that person has engaged in a past pattern of child abuse against that child. This bill amends that clause to provide that the murder of a child while committing child abuse is First Degree Murder if the perpetrator has engaged in a past pattern of child abuse against any child.

The effective date for this bill is the day following final enactment.

### **Assumptions**

It is assumed that offenders who currently commit such crimes are convicted of some other type of murder or manslaughter and receive executed prison sentences. While no information is available on the number of offenses that occur each year that, under this amended provision could be charged as First Degree Murder, it is assumed that the number will be small. Information from the Department of Corrections shows that 18 offenders were admitted in 2001, 10 offenders admitted in 2002, and 16 admitted in 2003 with Life sentences for First Degree Murder. Two of those offenders were convicted under the existing clause, which covers murders of minors while committing child abuse. Minnesota Offense Code data from the MSGC monitoring system shows that of the 70 Second Degree Murder cases sentenced in 2001, the victims were minors in 5 cases. These codes also show that 4 of those 5 offenses involved deaths committed in the course of a burglary and one involved a death while committing Criminal Sexual conduct and thus, would not be covered by the provisions of this bill. In 2002, 6 of the 46 second-degree murders sentenced involved child victims. The nature of the offense was not further specified, so any of these 6 offenses could have involved child abuse. It cannot be determined how many of these offenders had a past pattern of child abuse. In 2003, of the 74 offenders sentenced for second-degree murder, the victims were minors in 14 cases. In all of these cases the offense codes indicated that the murder was committed during the course of a burglary.

### **Impact on State and Local Correctional Resources**

Since offenders who commit this offense are likely to already be receiving executed prison sentences, there is no impact on local correctional resources.

If, in the future, some offenders currently being convicted of Second Degree Murder or some type of manslaughter instead are convicted of First Degree Murder, there is the potential for some impact on state correctional resources. Since the number of such offenders is expected to be small, the impact is estimated to be minimal. An offender sentenced for Intentional Second Degree Murder who has no prior record, and receives the recommended Guidelines sentence, would serve a minimum of 204 months (2/3 of 306 months) before release. If, in the future, that offender receives a Life sentence for First Degree Murder, they would serve a minimum of 360 months (30 years) before being eligible to be considered for release, a difference of 156 months. Each such offender would serve at least an additional 13 years over the period of their incarceration. An offender sentenced for Unintentional Second Degree Murder who has no prior record, and receives the recommended Guidelines sentence, would serve a minimum of 100 months (2/3 of 150 months) before release. The difference from a Life sentence in minimal time served is 260 months. Each such offender would serve an additional 21.5 years over the course of their incarceration.

FN Coord Signature: ANNE WALL  
Date: 02/25/05 Phone: 296-0144

### **EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING  
Date: 03/01/05 Phone: 296-7964

**Fiscal Note – 2005-06 Session**

**Bill #:** S0349-0 **Complete Date:** 03/02/05

**Chief Author:** FOLEY, LEO

**Title:** EXPAND CRIME OF FIRST DEGREE MURDER

| Fiscal Impact             | Yes | No |
|---------------------------|-----|----|
| State                     |     | X  |
| Local                     |     | X  |
| Fee/Departmental Earnings |     | X  |
| Tax Revenue               |     | X  |

**Agency Name:** Public Defense Board

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands)                         | FY05 | FY06 | FY07 | FY08 | FY09 |
|--|------|------|------|------|------|
| <b>Expenditures</b>                            |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Less Agency Can Absorb</b>                  |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Net Expenditures</b>                        |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Revenues</b>                                |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Net Cost &lt;Savings&gt;</b>                |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Total Cost &lt;Savings&gt; to the State</b> |      |      |      |      |      |

|                              | FY05 | FY06 | FY07 | FY08 | FY09 |
|------------------------------|------|------|------|------|------|
| <b>Full Time Equivalents</b> |      |      |      |      |      |
| -- No Impact --              |      |      |      |      |      |
| <b>Total FTE</b>             |      |      |      |      |      |

**Bill Description**

**Assumptions**

While the provisions of this bill do not have a major impact on the public defense system, it does present the already overburdened criminal justice and public defender systems with additional cases and time commitments. Any time there is an increase in penalties or expansion of criminal law the result will be more cases, more contested cases, and more appeals.

**Expenditure and/or Revenue Formula**

**Long-Term Fiscal Considerations**

**Local Government Costs**

**References/Sources**

FN Coord Signature: KEVIN KAJER  
Date: 03/02/05 Phone: 349-2565

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING  
Date: 03/02/05 Phone: 296-7964

**Senators Foley, Kleis, Ranum, Skoglund and Limmer introduced--**

**S.F. No. 349:** Referred to the Committee on Crime Prevention and Public Safety.

1 A bill for an act

2 relating to crime prevention and public safety;  
3 modifying the crime of murder in the first degree;  
4 amending Minnesota Statutes 2004, section 609.185.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. Minnesota Statutes 2004, section 609.185, is  
7 amended to read:

8 609.185 [MURDER IN THE FIRST DEGREE.]

9 (a) Whoever does any of the following is guilty of murder  
10 in the first degree and shall be sentenced to imprisonment for  
11 life:

12 (1) causes the death of a human being with premeditation  
13 and with intent to effect the death of the person or of another;

14 (2) causes the death of a human being while committing or  
15 attempting to commit criminal sexual conduct in the first or  
16 second degree with force or violence, either upon or affecting  
17 the person or another;

18 (3) causes the death of a human being with intent to effect  
19 the death of the person or another, while committing or  
20 attempting to commit burglary, aggravated robbery, kidnapping,  
21 arson in the first or second degree, a drive-by shooting,  
22 tampering with a witness in the first degree, escape from  
23 custody, or any felony violation of chapter 152 involving the  
24 unlawful sale of a controlled substance;

25 (4) causes the death of a peace officer or a guard employed

1 at a Minnesota state or local correctional facility, with intent  
2 to effect the death of that person or another, while the peace  
3 officer or guard is engaged in the performance of official  
4 duties;

5 (5) causes the death of a minor while committing child  
6 abuse, when the perpetrator has engaged in a past pattern of  
7 child abuse upon the a child and the death occurs under  
8 circumstances manifesting an extreme indifference to human life;

9 (6) causes the death of a human being while committing  
10 domestic abuse, when the perpetrator has engaged in a past  
11 pattern of domestic abuse upon the victim or upon another family  
12 or household member and the death occurs under circumstances  
13 manifesting an extreme indifference to human life; or

14 (7) causes the death of a human being while committing,  
15 conspiring to commit, or attempting to commit a felony crime to  
16 further terrorism and the death occurs under circumstances  
17 manifesting an extreme indifference to human life.

18 (b) For purposes of paragraph (a), clause (5), "child abuse"  
19 means an act committed against a minor victim that constitutes a  
20 violation of the following laws of this state or any similar  
21 laws of the United States or any other state: section 609.221;  
22 609.222; 609.223; 609.224; 609.2242; 609.342; 609.343; 609.344;  
23 609.345; 609.377; 609.378; or 609.713.

24 (c) For purposes of paragraph (a), clause (6), "domestic  
25 abuse" means an act that:

26 (1) constitutes a violation of section 609.221, 609.222,  
27 609.223, 609.224, 609.2242, 609.342, 609.343, 609.344, 609.345,  
28 609.713, or any similar laws of the United States or any other  
29 state; and

30 (2) is committed against the victim who is a family or  
31 household member as defined in section 518B.01, subdivision 2,  
32 paragraph (b).

33 (d) For purposes of paragraph (a), clause (7), "further  
34 terrorism" has the meaning given in section 609.714, subdivision  
35 1.

36 [EFFECTIVE DATE.] This section is effective the day

01/06/05

[REVISOR ] RPK/RC 05-1164

- 1 following final enactment and applies to crimes committed on or
- 2 after that date.



1 A bill for an act

2 relating to telecommunications; providing for a  
3 combined per number fee; amending Minnesota Statutes  
4 2004, sections 237.295, subdivisions 1, 2; 237.69,  
5 subdivision 16, by adding a subdivision; 237.70,  
6 subdivisions 2, 5; 237.701, subdivision 1; 403.06,  
7 subdivision 1a; 403.11, subdivision 1; 403.113,  
8 subdivision 1; 403.30, subdivision 1; proposing coding  
9 for new law in Minnesota Statutes, chapters 237; 325F;  
10 repealing Minnesota Statutes 2004, section 237.69,  
11 subdivisions 5, 17; Laws 1999, chapter 125, section 4,  
12 as amended.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

14 Section 1. Minnesota Statutes 2004, section 237.295,  
15 subdivision 1, is amended to read:

16 Subdivision 1. [~~PAYMENT-FOR-INVESTIGATION. FILING FEE FOR~~  
17 NEW AUTHORITY.] ~~{a}-Whenever-the-department-or-commission7-in-a~~  
18 ~~proceeding-upon-its-own-motion7-on-complaint7-or-upon-an~~  
19 ~~application-to-it7-considers-it-necessary7-in-order-to-carry-out~~  
20 ~~the-duties-imposed-on-it7-to-investigate-the-books7-accounts7~~  
21 ~~practices7-and-activities-of-any-company7-parties-to-the~~  
22 ~~proceeding-shall-pay-the-expenses-reasonably-attributable-to-the~~  
23 ~~proceeding7--The-department-and-commission-shall-ascertain-the~~  
24 ~~expenses7-and-the-department-shall-render-a-bill-for-those~~  
25 ~~expenses-to-the-parties7-at-the-conclusion-of-the-proceeding7~~  
26 ~~The-department-is-authorized-to-submit-billings-to-parties-at~~  
27 ~~intervals-selected-by-the-department-during-the-course-of-a~~  
~~proceeding7~~

29 ~~{b)-The-allocation-of-costs-may-be-adjusted-for-cause-by~~

1 the-commission-during-the-course-of-the-proceeding, or-upon-the  
2 closing-of-the-docket-and-issuance-of-an-order.--In-addition-to  
3 the-rights-granted-in-subdivision-3, parties-to-a-proceeding-may  
4 object-to-the-allocation-at-any-time-during-the-proceeding.  
5 Withdrawal-by-a-party-to-a-proceeding-does-not-absolve-the-party  
6 from-paying-allocated-costs-as-determined-by-the-commission.  
7 The-commission-may-decide-that-a-party-should-not-pay-any  
8 allocated-costs-of-the-proceeding.

9 (c)-The-bill-constitutes-notice-of-the-assessment-and-a  
10 demand-for-payment.--The-amount-of-the-bills-assessed-by-the  
11 department-under-this-subdivision-must-be-paid-by-the-parties  
12 into-the-state-treasury-within-30-days-from-the-date-of  
13 assessment.--The-total-amount, in-a-calendar-year, for-which-a  
14 telephone-company-may-become-liable, by-reason-of-costs-incurred  
15 by-the-department-and-commission-within-that-calendar-year, may  
16 not-exceed-two-fifths-of-one-percent-of-the-gross-jurisdictional  
17 operating-revenue-of-the-telephone-company-in-the-last-preceding  
18 calendar-year.--Direct-charges-may-be-assessed-without-regard-to  
19 this-limitation-until-the-gross-jurisdictional-operating-revenue  
20 of-the-telephone-company-for-the-preceding-calendar-year-has  
21 been-reported-for-the-first-time.--Where, under-this  
22 subdivision, costs-are-incurred-within-a-calendar-year-that-are  
23 in-excess-of-two-fifths-of-one-percent-of-the-gross  
24 jurisdictional-operating-revenues, the-excess-costs-are-not  
25 chargeable-as-part-of-the-remainder-under-subdivision-2.

26 (d)-Except-as-otherwise-provided-in-paragraph-(e), for  
27 purposes-of-assessing-the-cost-of-a-proceeding-to-a-party,  
28 "party"-means-any-entity-or-group-subject-to-the-laws-and-rules  
29 of-this-state, however-organized, whether-public-or-private,  
30 whether-domestic-or-foreign, whether-for-profit-or-nonprofit,  
31 and-whether-natural, corporate, or-political, such-as-a-business  
32 or-commercial-enterprise-organized-as-any-type-or-combination-of  
33 corporation, limited-liability-company, partnership, limited  
34 liability-partnership, proprietorship, association, cooperative,  
35 joint-venture, carrier, or-utility, and-any-successor-or  
36 assignee-of-any-of-them, a-social-or-charitable-organization,

~~1 and-any-type-or-combination-of-political-subdivision, which  
2 includes-the-executive, judicial, or-legislative-branch-of-the  
3 state, a-local-government-unit, an-agency-of-the-state-or-a  
4 local-government-unit, or-a-combination-of-any-of-them.~~

~~5 (e)-For-assessment-and-billing-purposes, "party" does-not  
6 include-the-Department-of-Commerce-or-the-Residential-Utilities  
7 Division-of-the-Office-of-Attorney-General, any-entity-or-group  
8 instituted-primarily-for-the-purpose-of-mutual-help-and-not  
9 conducted-for-profit, intervenors-awarded-compensation-under  
10 section-237.075, subdivision-10, or-any-individual-or-group-or  
11 counsel-for-the-individual-or-group-representing-the-interests  
12 of-end-users-or-classes-of-end-users-of-services-provided-by  
13 telephone-companies-or-telecommunications-carriers, as  
14 determined-by-the-commission~~ An application for a new authority  
15 must be accompanied by a payment not to exceed \$2,000 as  
16 determined by the Public Utilities Commission. This fee will be  
17 reviewed annually and adjusted accordingly.

18 Sec. 2. Minnesota Statutes 2004, section 237.295,  
19 subdivision 2, is amended to read:

20 Subd. 2. [ASSESSMENT OF COSTS.] The department and  
21 commission shall quarterly, at least 30 days before the start of  
22 each quarter, estimate the total of their expenditures in the  
23 performance of their duties relating to telephone companies,  
24 other than amounts chargeable to telephone companies under  
25 subdivision 1, 5, or 6. The remainder must be assessed by the  
26 department to the telephone companies operating in this state in  
27 proportion to their respective gross jurisdictional operating  
28 revenues during the last calendar year. The assessment must be  
29 paid into the state treasury within 30 days after the bill has  
30 been mailed to the telephone companies. The bill constitutes  
31 notice of the assessment and demand of payment. ~~The-total  
32 amount-that-may-be-assessed-to-the-telephone-companies-under  
33 this-subdivision-may-not-exceed-one-eighth-of-one-percent-of-the  
34 total-gross-jurisdictional-operating-revenues-during-the  
35 calendar-year.~~ The assessment for the third quarter of each  
36 fiscal year must be adjusted to compensate for the amount by

1 which actual expenditures by the commission and department for  
2 the preceding fiscal year were more or less than the estimated  
3 expenditures previously assessed. A telephone company with  
4 gross jurisdictional operating revenues of less than \$5,000 is  
5 exempt from assessments under this subdivision.

6 Sec. 3. [237.491] [COMBINED PER NUMBER FEE.]

7 Subdivision 1. [DEFINITIONS.] (a) The definitions in this  
8 subdivision apply to this section.

9 (b) "911 emergency and public safety communications program"  
10 means the program governed by chapter 403.

11 (c) "Service provider" means a provider doing business in  
12 Minnesota who provides real time, two-way voice service with a  
13 Minnesota telephone number. "Minnesota telephone number" means  
14 a ten-digit telephone number being used to connect to the public  
15 switched telephone network and starting with area code 651, 612,  
16 763, 952, 320, 218, or 507, or any subsequent area code assigned  
17 to Minnesota.

18 (d) "Telecommunications access Minnesota program" means the  
19 program governed by sections 237.50 to 237.55.

20 (e) "Telephone assistance program" means the program  
21 governed by sections 237.69 to 237.711.

22 Subd. 2. [PER NUMBER FEE.] (a) By July 1, 2006, the Public  
23 Utilities Commission shall establish a fee that applies to each  
24 service provider based upon the number of Minnesota telephone  
25 numbers in use by current customers of the service provider.  
26 The fee must be set at a level calculated to generate only the  
27 amount of revenue necessary to fund:

28 (1) the telephone assistance program and the  
29 telecommunications access Minnesota program at the levels  
30 established by the commission under sections 237.52, subdivision  
31 2, and 237.70; and

32 (2) the 911 emergency and public safety communications  
33 program at the levels certified by the commissioner of public  
34 safety for purposes of sections 403.11, 403.113, 403.27, 403.30,  
35 and 403.31 for current fiscal years.

36 (b) Notwithstanding any law to the contrary, the Public

1 Utilities Commission shall, by order, establish the procedures  
2 by which each service provider, to the extent allowed under  
3 federal law, shall collect and remit the fee proceeds to the  
4 Department of Revenue. The commissioner of revenue shall  
5 allocate the fee proceeds to the three funding areas in  
6 paragraph (a) and shall deposit the allocations into the  
7 appropriate accounts.

8 (c) The per access line fee used to collect revenues to  
9 support the TAP, TAM, and 911 programs shall remain in effect  
10 until replaced by the per telephone number fee.

11 Sec. 4. Minnesota Statutes 2004, section 237.69,  
12 subdivision 16, is amended to read:

13 Subd. 16. [TELEPHONE ASSISTANCE PLAN.] "Telephone  
14 assistance plan" means the plan to be adopted by the commission  
15 and to be jointly administered by the commission, the Department  
16 of ~~Human-Services,--and-the-telephone-companies~~ Commerce, and the  
17 local service providers, as required by sections 237.69 to  
18 237.711.

19 Sec. 5. Minnesota Statutes 2004, section 237.69, is  
20 amended by adding a subdivision to read:

21 Subd. 18. [LOCAL SERVICE PROVIDER.] "Local service  
22 provider" means:

23 (1) a telephone company or telecommunications carrier  
24 providing local service in Minnesota pursuant to a certificate  
25 of authority granted by the commission; or

26 (2) a commercial mobile radio service (CMRS) provider,  
27 personal communications services (PCS) provider, or other  
28 wireless provider offering the functional equivalent of CMRS or  
29 PCS in Minnesota, which has been designated by the commission as  
30 an eligible telecommunications carrier in Minnesota pursuant to  
31 United States Code, title 47, section 214, and relevant federal  
32 regulations.

33 Sec. 6. Minnesota Statutes 2004, section 237.70,  
34 subdivision 2, is amended to read:

5 Subd. 2. [SCOPE.] The telephone assistance plan must be  
36 statewide and apply to local service providers that provide

1 ~~local-exchange~~ service in Minnesota.

2 Sec. 7. Minnesota Statutes 2004, section 237.70,  
3 subdivision 5, is amended to read:

4 Subd. 5. [NATURE AND EXTENT OF CREDITS.] The telephone  
5 assistance plan may provide for telephone assistance credits to  
6 eligible households up to the amounts available under the  
7 federal matching plan. However, the credits available under the  
8 telephone assistance plan may not exceed:

9 (1) more than 50 percent of the local exchange rate charged  
10 for the local exchange service provided to the household by that  
11 household's local service provider; and

12 (2) the level of credits that can actually be funded in  
13 accordance with the limitations contained in subdivision 6.

14 Sec. 8. Minnesota Statutes 2004, section 237.701,  
15 subdivision 1, is amended to read:

16 Subdivision 1. [FUND CREATED; AUTHORIZED EXPENDITURES.]  
17 The telephone assistance fund is created as a separate account  
18 in the state treasury to consist of amounts received by the  
19 commissioner of public safety representing the surcharge  
20 authorized by section 237.70, subdivision 6, and amounts earned  
21 on the fund assets. Money in the fund may be used only for:

22 (1) reimbursement to local service providers for expenses  
23 and credits allowed in section 237.70, subdivision 7, paragraph  
24 (d), clause (5);

25 (2) reimbursement of the reasonable administrative expenses  
26 of the commission ~~not-to-exceed-\$25,000-annually~~, a portion of  
27 which may be used for periodic promotional activities,  
28 including, but not limited to, radio or newspaper  
29 advertisements, to inform eligible households of the  
30 availability of the telephone assistance program; and

31 (3) reimbursement of the statewide indirect cost of the  
32 commission.

33 Sec. 9. [325F.991] [911 EMERGENCY PHONE SERVICE  
34 REPRESENTATIONS.]

35 Subdivision 1. [DEFINITIONS.] For purposes of this  
36 section, the terms defined in this subdivision have the meanings

1 given them.

2 (a) "911 emergency telecommunications system" means a  
3 dedicated emergency telecommunications system required by  
4 section 403.025.

5 (b) "Person" means an individual, corporation, firm, or  
6 other legal entity.

7 (c) "Service provider" means a person doing business in  
8 Minnesota who provides real time, two-way voice service  
9 interconnected with the public switched telephone network using  
10 numbers allocated for Minnesota by the North American Numbering  
11 Plan Administration.

12 Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall  
13 not advertise, market, or otherwise represent that the person  
14 furnishes a service capable of providing access to emergency  
15 services by dialing 911 unless the person provides a service  
16 that routes 911 calls through the 911 emergency  
17 telecommunications system.

18 Subd. 3. [DISCLOSURE.] A service provider that does not  
19 provide 911 dialing that routes 911 calls through the 911  
20 emergency telecommunications system must disclose that fact in  
21 all advertisements, marketing materials, and contracts. The  
22 disclosure must be in capital letters, in 12-point font, and on  
23 the front page of the advertisement, marketing materials, and  
24 contracts. The disclosure must state: "THIS SERVICE DOES NOT  
25 ROUTE 911 CALLS THROUGH THE 911 EMERGENCY SYSTEM."

26 Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of  
27 this section, 911 calls routed to the general access number at a  
28 public safety answering point do not qualify as being routed  
29 through a 911 emergency telecommunications system.

30 Sec. 10. Minnesota Statutes 2004, section 403.06,  
31 subdivision 1a, is amended to read:

32 Subd. 1a. [BIENNIAL BUDGET; ANNUAL FINANCIAL REPORT.] The  
33 commissioner shall prepare a biennial budget for maintaining the  
34 911 system. By December 15 of each year, the commissioner shall  
35 submit a report to the legislature detailing the expenditures  
36 for maintaining the 911 system, the 911 fees collected deposited

1 by the Department of Revenue, the balance of the 911 fund, and  
2 the 911-related administrative expenses of the commissioner.  
3 The commissioner is authorized to expend money that has been  
4 appropriated to pay for the maintenance, enhancements, and  
5 expansion of the 911 system.

6 Sec. 11. Minnesota Statutes 2004, section 403.11,  
7 subdivision 1, is amended to read:

8 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]

9 (a) Each customer of a wireless or wire-line telecommunications  
10 service provider that furnishes service capable of originating a  
11 911 emergency telephone call is assessed a fee under section  
12 237.491 to cover the costs of ongoing maintenance and related  
13 improvements for trunking and central office switching equipment  
14 for 911 emergency telecommunications service, plus  
15 administrative and staffing costs of the commissioner related to  
16 managing the 911 emergency telecommunications service program.  
17 Recurring charges by a wire-line telecommunications service  
18 provider for updating the information required by section  
19 403.07, subdivision 3, must be paid by the commissioner if the  
20 wire-line telecommunications service provider is included in an  
21 approved 911 plan and the charges are made pursuant to tariff,  
22 price list, or contract. A portion of the fee assessed under  
23 this section 237.491 must also be used for the purpose of  
24 offsetting the costs, including administrative and staffing  
25 costs, incurred by the State Patrol Division of the Department  
26 of Public Safety in handling 911 emergency calls made from  
27 wireless phones.

28 (b) Money remaining in the 911 emergency telecommunications  
29 service account after all other obligations are paid must not  
30 cancel and is carried forward to subsequent years and may be  
31 appropriated from time to time to the commissioner to provide  
32 financial assistance to counties for the improvement of local  
33 emergency telecommunications services. The improvements may  
34 include providing access to 911 service for telecommunications  
35 service subscribers currently without access and upgrading  
36 existing 911 service to include automatic number identification,



1 local location identification, automatic location  
2 identification, and other improvements specified in revised  
3 county 911 plans approved by the commissioner.

4 ~~(c) The fee may not be less than eight cents nor more than~~  
5 ~~40 cents a month for each customer access line or other basic~~  
6 ~~access service, including trunk equivalents as designated by the~~  
7 ~~Public Utilities Commission for access charge purposes and~~  
8 ~~including wireless telecommunications services. With the~~  
9 ~~approval of the commissioner of finance, the commissioner of~~  
10 ~~public safety shall establish the amount of the fee within the~~  
11 ~~limits specified and inform the companies and carriers of the~~  
12 ~~amount to be collected. When the revenue bonds authorized under~~  
13 ~~section 403.27, subdivision 1, have been fully paid or defeased,~~  
14 ~~the commissioner shall reduce the fee to reflect that debt~~  
15 ~~service on the bonds is no longer needed. The commissioner~~  
16 ~~shall provide companies and carriers a minimum of 45 days'~~  
17 ~~notice of each fee change. The fee must be the same for all~~  
18 ~~customers.~~

19 ~~(d) The fee must be collected by each wireless or wire-line~~  
20 ~~telecommunications service provider subject to the fee. Fees~~  
21 ~~are payable to and must be submitted to the commissioner monthly~~  
22 ~~before the 25th of each month following the month of collection,~~  
23 ~~except that fees may be submitted quarterly if less than \$250 a~~  
24 ~~month is due, or annually if less than \$25 a month is due.~~  
25 ~~Receipts must be deposited in the state treasury and credited to~~  
26 ~~a 911 emergency telecommunications service account in the~~  
27 ~~special revenue fund. The money in the account may only be used~~  
28 ~~for 911 telecommunications services.~~

29 ~~(e) This subdivision does not apply to customers of~~  
30 ~~interexchange carriers.~~

31 ~~(f) (d) The installation and recurring charges for~~  
32 ~~integrating wireless 911 calls into enhanced 911 systems must be~~  
33 ~~paid by the commissioner if the 911 service provider is included~~  
34 ~~in the statewide design plan and the charges are made pursuant~~  
35 ~~to tariff, price list, or contract.~~

36 Sec. 12. Minnesota Statutes 2004, section 403.113,

1 subdivision 1, is amended to read:

2       Subdivision 1. [~~FEE GRANT.~~] (a) ~~Each customer receiving~~  
3 ~~service from a wireless or wire-line telecommunications service~~  
4 ~~provider is assessed a fee~~ The commissioner shall budget for and  
5 provide grants to PSAPs to fund implementation, operation,  
6 maintenance, enhancement, and expansion of enhanced 911 service,  
7 including acquisition of necessary equipment and the costs of  
8 the commissioner to administer the program. ~~The actual fee~~  
9 ~~assessed under section 403.11 and the enhanced 911 service fee~~  
10 ~~must be collected as one amount and may not exceed the amount~~  
11 ~~specified in section 403.11, subdivision 1, paragraph (c).~~

12       ~~(b) The enhanced 911 service fee must be collected and~~  
13 ~~deposited in the same manner as the fee in section 403.11 and~~  
14 ~~used solely for the purposes of paragraph (a) and subdivision 3.~~

15       ~~(c) The commissioner, in consultation with counties and 911~~  
16 ~~system users, shall determine the amount of the enhanced 911~~  
17 ~~service fee grant. The fee grant must include at least ten~~  
18 ~~cents per month~~ the amount funded in fiscal year 2005 to be  
19 distributed under subdivision 2. ~~The commissioner shall inform~~  
20 ~~wireless and wire-line telecommunications service providers that~~  
21 ~~provide service capable of originating a 911 emergency telephone~~  
22 ~~call of the total amount of the 911 service fees in the same~~  
23 ~~manner as provided in section 403.11.~~

24       Sec. 13. Minnesota Statutes 2004, section 403.30,  
25 subdivision 1, is amended to read:

26       Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]  
27 For each fiscal year beginning with the fiscal year commencing  
28 July 1, 1997, the amount necessary to pay the following costs is  
29 appropriated to the commissioner of public safety from the 911  
30 emergency telecommunications service account established under  
31 section 403.11:

32       (1) debt service costs and reserves for bonds issued  
33 pursuant to section 403.27;

34       (2) repayment of the right-of-way acquisition loans;

35       (3) costs of design, construction, maintenance of, and  
36 improvements to those elements of the first, second, and third

1 phases that support mutual aid communications and emergency  
2 medical services;

3 (4) recurring charges for leased sites and equipment for  
4 those elements of the first, second, and third phases that  
5 support mutual aid and emergency medical communication services;  
6 or

7 (5) aid to local units of government for sites and  
8 equipment in support of mutual aid and emergency medical  
9 communications services.

10 This appropriation shall be used to pay annual debt service  
11 costs and reserves for bonds issued pursuant to section 403.27  
12 prior to use of fee money to pay other costs eligible under this  
13 subdivision. In no event shall the appropriation for each  
14 fiscal year exceed an amount equal to ~~four-cents-a-month-for~~  
15 ~~each-customer-access-line-or-other-basic-access-service,~~  
16 ~~including-trunk-equivalents-as-designated-by-the-Public~~  
17 ~~Utilities-Commission-for-access-charge-purposes-and-including~~  
18 ~~cellular-and-other-nonwire-access-services,~~ ~~in-the-fiscal~~  
19 year 4/40 of the amount collected by the fiscal year 2005 911  
20 fee. Beginning July 1, ~~2004~~ 2005, this amount will increase  
21 to ~~13-cents-a-month~~ 13/40 of the amount collected by the fiscal  
22 year 2005 911 fee.

23 Sec. 14. [REPEALER.]

24 (a) Minnesota Statutes 2004, section 237.69, subdivisions 5  
25 and 17, are repealed.

26 (b) Laws 1999, chapter 125, section 4, as amended by Laws  
27 2002, chapter 398, section 7, is repealed.

28 Sec. 15. [EFFECTIVE DATE.]

29 Sections 1 to 14 are effective the day following final  
30 enactment.

APPENDIX  
Repealed Minnesota Statutes for S1647-1

**237.69 TELEPHONE ASSISTANCE PLAN; DEFINITIONS.**

Subd. 5. **Access line.** "Access line" means telephone company-owned facilities furnished to permit switched access to the telecommunications network that extend from a central office to the demarcation point on the property where the subscriber is served. The term includes access lines provided to residential and business subscribers, includes centrex access lines on a trunk-equivalent basis, but does not include private nonswitched or wide area telephone service access lines.

Subd. 17. **Telephone company.** "Telephone company" has the meanings given it in section 237.01, subdivisions 3 and 7, that provides local exchange telephone service.

1 Senator ..... moves to amend S.F. No. 1045 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. [237.491] [COMBINED PER NUMBER FEE.]

4 Subdivision 1. [DEFINITIONS.] (a) The definitions in this  
5 subdivision apply to this section.

6 (b) "911 emergency and public safety communications program"  
7 means the program governed by chapter 403.

8 (c) "Minnesota telephone number" means a ten-digit  
9 telephone number being used to connect to the public switched  
10 telephone network and starting with area code 218, 320, 507,  
11 612, 651, 763, or 952, or any subsequent area code assigned to  
12 this state.

13 (d) "Service provider" means a provider doing business in  
14 this state who provides real time, two-way voice service with a  
15 Minnesota telephone number.

16 (e) "Telecommunications access Minnesota program" means the  
17 program governed by sections 237.50 to 237.55.

18 (f) "Telephone assistance program" means the program  
19 governed by sections 237.69 to 237.711.

20 Subd. 2. [PER NUMBER FEE.] (a) By January 15, 2006, the  
21 Public Utilities Commission shall report to the legislature and  
22 to the senate Committee on Jobs, Energy, and Community  
23 Development, its recommendations for the amount of and method  
24 for assessing a fee that would apply to each service provider  
25 based upon the number of Minnesota telephone numbers in use by  
26 current customers of the service provider. The fee would be set  
27 at a level calculated to generate only the amount of revenue  
28 necessary to fund:

29 (1) the telephone assistance program and the  
30 telecommunications access Minnesota program at the levels  
31 established by the commission under sections 237.52, subdivision  
32 2, and 237.70; and

33 (2) the 911 emergency and public safety communications  
34 program at the levels appropriated by law to the commissioner of  
35 public safety for purposes of sections 403.11, 403.113, 403.27,  
36 403.30, and 403.31 for each fiscal year.

1       (b) The recommendations must include any changes to  
2 Minnesota Statutes necessary to establish the procedures whereby  
3 each service provider, to the extent allowed under federal law,  
4 would collect and remit the fee proceeds to the commissioner of  
5 revenue. The commissioner of revenue would allocate the fee  
6 proceeds to the three funding areas in paragraph (a) and credit  
7 the allocations to the appropriate accounts.

8       (c) The recommendations must be designed to allow the  
9 combined per telephone number fee to be collected beginning July  
10 1, 2006. The per access line fee used to collect revenues to  
11 support the TAP, TAM, and 911 programs remains in effect until  
12 no later than January 1, 2007.

13       (d) As part of the process of developing the  
14 recommendations and preparing the report to the legislature  
15 required under paragraph (a), the Public Utilities Commission  
16 must, at a minimum, consult regularly with the Departments of  
17 Public Safety, Finance, Administration, and Commerce, service  
18 providers, appropriate legislative staff, and other affected  
19 parties.

20       Sec. 2. Minnesota Statutes 2004, section 237.70,  
21 subdivision 7, is amended to read:

22       Subd. 7. [APPLICATION, NOTICE, FINANCIAL ADMINISTRATION,  
23 COMPLAINT INVESTIGATION.] The telephone assistance plan must be  
24 administered jointly by the commission, the Department of  
25 Commerce, and the local service providers in accordance with the  
26 following guidelines:

27       (a) The commission and the Department of Commerce shall  
28 develop an application form that must be completed by the  
29 subscriber for the purpose of certifying eligibility for  
30 telephone assistance plan credits to the local service  
31 provider. The application must contain the applicant's Social  
32 Security number. Applicants who refuse to provide a Social  
33 Security number will be denied telephone assistance plan  
34 credits. The application form must also include a statement  
35 that the applicant household is currently eligible for one of  
36 the programs that confers eligibility for the federal Lifeline

**Consolidated Fiscal Note – 2005-06 Session**

**Bill #:** S1045-0 **Complete Date:** 03/01/05

**Chief Author:** RANUM, JANE

**Title:** 911 EMERGENCY TELECOMM SVCS PROV

| Fiscal Impact             | Yes | No |
|---------------------------|-----|----|
| State                     | X   |    |
| Local                     | X   |    |
| Fee/Departmental Earnings | X   |    |
| Tax Revenue               |     | X  |

**Agencies:** Public Safety Dept (03/01/05)

Metropolitan Council (03/01/05)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands)                         | FY05 | FY06    | FY07    | FY08    | FY09    |
|--|------|---------|---------|---------|---------|
| <b>Net Expenditures</b>                        |      |         |         |         |         |
| 911 Emergency Fund                             |      | 14,209  | 14,239  | 11,175  | 11,175  |
| Public Safety Dept                             |      | 14,209  | 14,239  | 11,175  | 11,175  |
| <b>Revenues</b>                                |      |         |         |         |         |
| 911 Emergency Fund                             |      | 17,209  | 17,718  | 17,718  | 17,718  |
| Public Safety Dept                             |      | 17,209  | 17,718  | 17,718  | 17,718  |
| <b>Net Cost &lt;Savings&gt;</b>                |      |         |         |         |         |
| 911 Emergency Fund                             |      | (3,000) | (3,479) | (6,543) | (6,543) |
| Public Safety Dept                             |      | (3,000) | (3,479) | (6,543) | (6,543) |
| <b>Total Cost &lt;Savings&gt; to the State</b> |      | (3,000) | (3,479) | (6,543) | (6,543) |

|                              | FY05 | FY06 | FY07 | FY08 | FY09 |
|------------------------------|------|------|------|------|------|
| <b>Full Time Equivalents</b> |      |      |      |      |      |
| -- No Impact --              |      |      |      |      |      |
| <b>Total FTE</b>             |      |      |      |      |      |

**Consolidated EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER

Date: 03/01/05 Phone: 215-0594

**Fiscal Note – 2005-06 Session**

**Bill #:** S1045-0 **Complete Date:** 03/01/05

**Chief Author:** RANUM, JANE

**Title:** 911 EMERGENCY TELECOMM SVCS PROV

| Fiscal Impact             | Yes | No |
|---------------------------|-----|----|
| State                     | X   |    |
| Local                     | X   |    |
| Fee/Departmental Earnings | X   |    |
| Tax Revenue               |     | X  |

**Agency Name:** Public Safety Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands)                         | FY05 | FY06    | FY07    | FY08    | FY09    |
|--|------|---------|---------|---------|---------|
| <b>Expenditures</b>                            |      |         |         |         |         |
| 911 Emergency Fund                             |      | 14,209  | 14,239  | 11,175  | 11,175  |
| <b>Less Agency Can Absorb</b>                  |      |         |         |         |         |
| -- No Impact --                                |      |         |         |         |         |
| <b>Net Expenditures</b>                        |      |         |         |         |         |
| 911 Emergency Fund                             |      | 14,209  | 14,239  | 11,175  | 11,175  |
| <b>Revenues</b>                                |      |         |         |         |         |
| 911 Emergency Fund                             |      | 17,209  | 17,718  | 17,718  | 17,718  |
| <b>Net Cost &lt;Savings&gt;</b>                |      |         |         |         |         |
| 911 Emergency Fund                             |      | (3,000) | (3,479) | (6,543) | (6,543) |
| <b>Total Cost &lt;Savings&gt; to the State</b> |      | (3,000) | (3,479) | (6,543) | (6,543) |

|                             | FY05 | FY06 | FY07 | FY08 | FY09 |
|-----------------------------|------|------|------|------|------|
| <b>Full Time Equivalent</b> |      |      |      |      |      |
| -- No Impact --             |      |      |      |      |      |
| <b>Total FTE</b>            |      |      |      |      |      |



## **Bill Description**

SF 1045 would become effective the day following final enactment. The application of section 3 would only apply to contracts executed after enactment.

1. Change the 911 fee cap from the current 40 cents to 65 cents, which would allow the commissioner of public safety to increase the 911 fee by up to 25 cents subject to the approval of the commissioner of finance and after providing 45 days notice to the wired and wireless telephone companies that are required to collect the fee.
2. Increase the minimum grant amount sent to Public Safety Answering Points (PSAPs) from the 10 cents in current law to 20 cents and providing that where a greater amount is appropriated the appropriated amount must be distributed.
3. Add a combined \$16.5 million in bonding authority for phase II and phase III of the statewide public safety radio system. Reducing the amount allocated to bonds for local enhancements in the metro area from \$18 million to \$8 million and providing \$9.5 million in bonding authority for up to 50% of the cost of local enhancements in phase III. Increasing the bonding authority allocated to phase III infrastructure from \$27 million to \$44 million.

| <b>Bonding Authority</b>       | <b>Existing Statute</b> | <b>SF 1045</b>        |
|--------------------------------|-------------------------|-----------------------|
| Phase I                        | 18                      | 8                     |
| Phase II                       | 27                      | 44                    |
| Phase III Local Enhancements   | 0                       | 9.5                   |
| <b>Total Bonding Authority</b> | <b>\$45 Million</b>     | <b>\$61.5 Million</b> |

4. Appropriates \$688,000 in 2006 and \$709,000 in 2007 for grants to the Minnesota Emergency Medical Services Regulatory Board and \$6,884,000 in 2006 and \$7,087,000 in 2007 to PSAPs conditioned on whether they have implemented Phase 2 Wireless Enhanced 911 or whose governmental agency has made a binding commitment to implement Phase 2 by January 1, 2008.
5. Reduces the certification period for 911 expenses from two years to 90 days for contracts entered into after enactment.
6. Provides that the commissioner of Public Safety is not required to reimburse wire-line or wireless telecommunication service providers for 911 service where federal law or regulations require them to provide the service irrespective of reimbursement (wireless telecommunication service providers based upon FCC Docket Number 99-352).
7. Providing that 13 cents of the 911 fee must be used to pay annual debt service costs and reserves for bonds issued under section 403.27. Also providing that should the 13 cents committed to annual debt service and reserves for bonds be inadequate, the commissioner must notify the committee on Finance in the Senate and the committee on Ways and Means in the House of any deficiency and then pay the deficiency from funds provided under the open appropriation.
8. Providing that if the governing body of any local government using phase III, IV, V, or VI of the system fails to meet any payment to the commissioner the commissioner may certify the amount due with interest at six percent to the auditor of the county in which the government unit is located whereupon the auditor shall levy the amount due, with interest, as a tax upon all taxable property in the government unit for the next calendar year.

## **Assumptions**

For purposes of this fiscal note, it is assumed that the act will become law prior to the fiscal year and in sufficient time to allow the required 45 day notice to the carriers so that the fee increase can become effective July 1, 2005. Section 4 would require the commissioner of public safety to double the amount sent to PSAPs that have implemented or agreed to implement Phase 2 for the enhanced 911 grants. Because only 3 of the 109 local and other government PSAPs have not modified their equipment for Phase 2, it is assumed all would share in this additional money.

It is assumed that each penny of 911 fee will collect (based upon November 2004 revenue projections):

- \$688,362 per year in fiscal year 2006
- \$708,724 per year in fiscal year 2007
- \$708,724 per year in fiscal year 2008
- \$708,724 per year in fiscal year 2009

Based upon the language in SF1045, section 2 it is assumed that the intent is to commit 20 cents of the 911 fee to PSAPs for the 2006-2007 biennium and for thereafter.

It is assumed that the entire 13 cents in the 911 emergency telephone service fee provided for in existing law will be allocated to debt service and reserve for bonds. SF 1045 authorizes \$8 million in bonding to cover 50% of the cost of local enhancements in the metro area, up to \$44 million in bonding for the state's cost of the basic infrastructure in phase III and up to \$9.5 million in bonding to cover up to 50% of the cost of local enhancements in phase III. Debt service and reserve upon existing bonds must also be paid from the 13 cents.

It is assumed that reducing the certification period from two years to 90 days will not increase 911 emergency telephone service expenses because the provision is phased in over the next several years as contracts are renewed. The authorized delay in presenting claims is compressed from two years to 90 days, but will only apply to contracts entered into on or after the date of enactment.

FY 2005 projected expenditures for implementation of wireless enhanced 911 are \$4,375,755. Costs paid from this category include connections of wireless carriers to the selective router (referred to as the common demarcation point) and network enhancements required to provide 911 service, including inter-tandem trunks, additional PSAP connections in the larger PSAPs, and basic phone line connections for wireless call transfers. FCC 99-352, Second Memorandum Opinion and Order, Released December 8, 1999, provides for the removal of any prerequisite that a cost recovery mechanism for carriers be in place before wireless carriers are obligated to provide E911 service. This decision is generally considered to be applicable to the wireless carriers costs and the costs necessary to connect to the common demarcation point. Accurate figures of the total cost of connecting wireless carriers to the selective router are not presently available, but they are estimated to be \$3,000,000.

It is assumed that the legislative intent in inserting a specified appropriation for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication centers is for the grants to continue after fiscal year 2007. The bill does not add policy language to that effect in chapter 403.

#### **Expenditure and/or Revenue Formula**

Annual amount one penny will collect in a given fiscal year times the number of cents allocated.

DPS has estimated the effect of the bill by comparing 20 cent allocation to PSAPs with the 10 cent amount allocated to PSAPs during FY 2005. The difference, together with the \$688,000 in 2006 and the \$709,000 in 2007 allocated to Medical Resource Communication Centers is shown in the fiscal note.

A total of \$16.5 million in new bonding authority is included in this bill.

|   | FY 2006       | FY 2007       | FY 2008       | FY 2009       |
|---|---------------|---------------|---------------|---------------|
| One Penny   | \$688,362     | \$708,724     | \$708,724     | \$708,724     |
| <b>Revenue</b>  |               |               |               |               |
| 25 cent increase<br>7/1/2005  | \$17,209,050  | \$17,718,100  | \$17,718,100  | \$17,718,100  |
| Revenue dedicated<br>to PSAPs 10¢<br>current law  | \$6,883,620   | \$7,087,240   | \$7,087,240   | \$7,087,240   |
| Revenue dedicated<br>to PSAPs 20¢ in FY<br>2006 (or the<br>appropriation if<br>more than 20¢), SF<br>1045 | \$13,767,240  | \$14,174,480  | \$14,174,480  | \$14,174,480  |
| Increased revenue<br>dedicated to<br>PSAPs, SF 1045   | \$6,883,620   | \$7,087,240   | \$7,087,240   | \$7,087,240   |
| <b>Expenditure</b>  |               |               |               |               |
| Increased payments<br>to PSAPs, SF 1045   | \$6,884,000   | \$7,087,000   | \$7,087,000   | \$7,087,000   |
| MN Emergency<br>Medical Services<br>Board, SF 1045  | \$688,000     | \$709,000     | \$709,000     | \$709,000     |
| Debt Service costs-<br>SF 1045  | \$6,195,258   | \$6,378,516   | \$6,378,516   | \$6,378,516   |
| Payment of prior<br>year obligation, SF<br>1045   | \$3,442,000   | \$3,064,000   | 0             | 0             |
| Reduced payments<br>for Wireless<br>Enhanced 911, SF<br>1045, Section 1                                   | (\$3,000,000) | (\$3,000,000) | (\$3,000,000) | (\$3,000,000) |
| Total Net<br>Expenditure<br>Change, SF 1045   | \$14,209,258  | \$14,238,516  | \$11,174,516  | \$11,174,516  |

### Long-Term Fiscal Considerations

New federal law, Title 1 of H.R. 5419, provides grants to eligible entities for the implementation and operation of Phase II E-911 services. Each applicant that receives such a grant shall certify during any period of time during which the funds from the grant are available to the applicant, that no portion of any designated E-911 charges is being obligated or expended for any purpose other than the purposes for which such charges are designated.

### Local Government Costs

Additional local government costs for enhanced 911 maintenance and improvements will be reimbursed by the additional funding going to local PSAPs.

Bonds authorizing payment of up to 50% of local costs will require local governments to expend local funds to pay for their share of the authorized expenditure.

### References/Sources

Agency Contact Name: Ron Whitehead 651 296-5778  
FN Coord Signature: FRANK AHRENS  
Date: 02/28/05 Phone: 296-9484

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER  
Date: 03/01/05 Phone: 215-0594

**Fiscal Note – 2005-06 Session**

**Bill #:** S1045-0 **Complete Date:** 03/01/05

**Chief Author:** RANUM, JANE

**Title:** 911 EMERGENCY TELECOMM SVCS PROV

| Fiscal Impact             | Yes | No |
|---------------------------|-----|----|
| State                     |     | X  |
| Local                     | X   |    |
| Fee/Departmental Earnings | X   |    |
| Tax Revenue               |     | X  |

**Agency Name:** Metropolitan Council

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands)                         | FY05 | FY06 | FY07 | FY08 | FY09 |
|--|------|------|------|------|------|
| <b>Expenditures</b>                            |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Less Agency Can Absorb</b>                  |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Net Expenditures</b>                        |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Revenues</b>                                |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Net Cost &lt;Savings&gt;</b>                |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Total Cost &lt;Savings&gt; to the State</b> |      |      |      |      |      |

|                              | FY05 | FY06 | FY07 | FY08 | FY09 |
|------------------------------|------|------|------|------|------|
| <b>Full Time Equivalents</b> |      |      |      |      |      |
| -- No Impact --              |      |      |      |      |      |
| <b>Total FTE</b>             |      |      |      |      |      |

**Bill Description:** This bill (S.F. 1045) increases 911 fees and authorizes the Metropolitan Council to issue up to \$17,500,000 in revenue bonds for funding up to 50 percent of the costs to assist local governments with the building of public safety radio subsystems in the state patrol's southeast district (Rochester area) or central district (St. Cloud) and \$44 million of revenue bonds for phase three of the public safety radio system. (These bonding amounts are over the amount currently outstanding, not over current law.)

**Assumptions:** This fiscal note addresses this bill only as it relates to the involvement of the Metropolitan Council. It is assumed that information on the amount of revenue generated by increases in the 911 surcharge fee, as well as expenses incurred, will be presented by the Department of Public Safety and other appropriate agencies. It is assumed that issuance fees that the Metro Council would incur with bond sales would be included in the cost of the bond sales and the agency would have no direct expenditures for issuing these bonds.

It is also assumed that the bonds are revenue bonds without General Obligation backing. The current revenue bonds have a covenant for additional parity bonds requiring that actual receipts of 150 percent of maximum annual debt service for future bonds be received by the Council/Metropolitan Radio Board in each of the two years preceding issuance of new debt. This covenant could delay issuing new bonds until at least fiscal year 2008. Parity bonds could be issued only if 911 revenues for the two previous years equal 150% of necessary revenue. The excess revenue needed to meet current bond covenants is not included in these estimates.

In addition, the current bonds also provide for back up from system user fees for a shortfall in revenue for operations and debt service. The Metropolitan Council currently has authority to deficit levy local governments in default in payment of user fees.

Current law also does not provide for the same three levels of support for new bond issues that were in place for the original bond issues (phases 1 and 2). The current bonds are supported by 1) 911 fees 2) user charges - if 911 fees are insufficient and 3) deficiency property tax levy for unpaid user charges. For new bond issues (phases 3-6), the levy for deficiency property taxes for unpaid user charges was repealed in the 2003 session. This bill includes property tax coverage as a backup for user fees for phases 3-6.

**Expenditure/Revenue Formula:** The role of the Metropolitan Council in this bill would mainly be to sell additional revenue bonds. In consultation with financial advisors it is recommended that \$100,000 annual debt service be used per \$1,000,000 of debt issued to estimate the amount of revenue to retire bond debt. Over the current amount outstanding, an additional \$61.5 million in bonds would be sold, the debt retirement would require an additional \$6.15 million in 911 fees annually to retire this additional debt.

This is an estimate, of course, and could change depending on size of the 911 fund reserve, long-term strength of the 911 revenue source, interest rate, bond structure and length. Demonstration of long-term viability of the revenue source would be necessary to market the bonds.

**Long-Term Fiscal Considerations:** Depending on the length of the bonds, the 911 fund will need to generate enough revenue to retire the debt into the future.

**Local Government Costs:** The Metropolitan Radio Board and its local government members have plans to use new bond proceeds and federal revenues for their systems. If the bonds are delayed, the progress on the 800 mhz radio system by local governments may be delayed. If local governments have the public safety radio available in their area and they choose to join this radio system, there would be costs to local governments to purchase radio and dispatching equipment. This cost would vary based on the number of radios and equipment needed for each community.

Agency Contact Name: Beth Widstrom Anderson, Finance, (651)602-1567  
FN Coord Signature: MIKE KUEHN  
Date: 02/28/05 Phone: 602-1364

### **EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER  
Date: 03/01/05 Phone: 215-0594

Senators Ranum, Foley, McGinn, Kelley and Senjem introduced--  
S.F. No. 1045: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act

2 relating to public safety; increasing 911 emergency  
3 telecommunications service fee; imposing certain  
4 restrictions on public subsidy to telephone companies  
5 for providing 911 emergency telephone service;  
6 increasing distribution to pay costs of public safety  
7 answering points; authorizing sale of Metropolitan  
8 Council bonds to implement phases two and three of the  
9 800-MHz public safety radio system; providing for levy  
10 of property taxes to secure payment of system  
11 operating costs; appropriating money; amending  
12 Minnesota Statutes 2004, sections 403.11, subdivisions  
13 1, 3, 3a; 403.113, subdivision 1; 403.27, subdivisions  
14 1, 3; 403.30, subdivisions 1, 3; 403.31, subdivision 6.

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

16 Section 1. Minnesota Statutes 2004, section 403.11,  
17 subdivision 1, is amended to read:

18 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE.]

19 (a) Each customer of a wireless or wire-line telecommunications  
20 service provider that furnishes service capable of originating a  
21 911 emergency telephone call is assessed a fee to cover the  
22 costs of ongoing maintenance and related improvements for  
23 trunking and central office switching equipment for 911  
24 emergency telecommunications service, plus administrative and  
25 staffing costs of the commissioner related to managing the 911  
26 emergency telecommunications service program. Recurring charges  
27 by a wire-line telecommunications service provider for updating  
28 the information required by section 403.07, subdivision 3, must  
29 be paid by the commissioner if the wire-line telecommunications  
30 service provider is included in an approved 911 plan and the

1 charges are made pursuant to ~~tariff, price-list, or~~ contract.  
2 The fee assessed under this section must also be used for the  
3 purpose of offsetting the costs, including administrative and  
4 staffing costs, incurred by the State Patrol Division of the  
5 Department of Public Safety in handling 911 emergency calls made  
6 from wireless phones.

7 (b) Money remaining in the 911 emergency telecommunications  
8 service account after all other obligations are paid must not  
9 cancel and is carried forward to subsequent years and may be  
10 appropriated from time to time to the commissioner to provide  
11 financial assistance to counties for the improvement of local  
12 emergency telecommunications services. The improvements may  
13 include providing access to 911 service for telecommunications  
14 service subscribers currently without access and upgrading  
15 existing 911 service to include automatic number identification,  
16 local location identification, automatic location  
17 identification, and other improvements specified in revised  
18 county 911 plans approved by the commissioner.

19 (c) The fee may not be less than eight cents nor more than  
20 ~~40~~ 65 cents a month for each customer access line or other basic  
21 access service, including trunk equivalents as designated by the  
22 Public Utilities Commission for access charge purposes and  
23 including wireless telecommunications services. With the  
24 approval of the commissioner of finance, the commissioner of  
25 public safety shall establish the amount of the fee within the  
26 limits specified and inform the companies and carriers of the  
27 amount to be collected. When the revenue bonds authorized under  
28 section 403.27, subdivision 1, have been fully paid or defeased,  
29 the commissioner shall reduce the fee to reflect that debt  
30 service on the bonds is no longer needed. The commissioner  
31 shall provide companies and carriers a minimum of 45 days'  
32 notice of each fee change. The fee must be the same for all  
33 customers.

34 (d) The fee must be collected by each wireless or wire-line  
35 telecommunications service provider subject to the fee. Fees  
36 are payable to and must be submitted to the commissioner monthly



1 before the 25th of each month following the month of collection,  
2 except that fees may be submitted quarterly if less than \$250 a  
3 month is due, or annually if less than \$25 a month is due.  
4 Receipts must be deposited in the state treasury and credited to  
5 a 911 emergency telecommunications service account in the  
6 special revenue fund. The money in the account may only be used  
7 for 911 telecommunications services.

8 (e) This subdivision does not apply to customers of  
9 interexchange carriers.

10 (f) The installation and recurring charges for integrating  
11 wireless 911 calls into enhanced 911 systems must be paid by the  
12 commissioner if the 911 service provider is included in the  
13 statewide design plan and the charges are made pursuant to  
14 ~~tariff, price list, or~~ contract.

15 (g) Notwithstanding any provision of this chapter to the  
16 contrary, the commissioner need not contract for or agree to pay  
17 for any services that a wire-line or wireless telecommunication  
18 service provider is required by federal law or federal  
19 regulation to provide.

20 Sec. 2. Minnesota Statutes 2004, section 403.11,  
21 subdivision 3, is amended to read:

22 Subd. 3. [METHOD OF PAYMENT.] (a) Any wireless or  
23 wire-line telecommunications service provider incurring  
24 reimbursable costs under subdivision 1 shall submit an invoice  
25 itemizing rate elements by county or service area to the  
26 commissioner for 911 services furnished under ~~tariff, price~~  
27 ~~list, or~~ contract. Any wireless or wire-line telecommunications  
28 service provider is eligible to receive payment for 911 services  
29 rendered according to the terms and conditions specified in the  
30 contract. Competitive local exchange carriers holding  
31 certificates of authority from the Public Utilities Commission  
32 are eligible to receive payment for recurring 911 services  
33 provided after July 1, 2001. The commissioner shall pay the  
34 invoice within 30 days following receipt of the invoice unless  
35 the commissioner notifies the service provider that the  
36 commissioner disputes the invoice.

1 (b) The commissioner shall estimate the amount required to  
 2 reimburse wireless and wire-line telecommunications service  
 3 providers for the state's obligations under subdivision 1 and  
 4 the governor shall include the estimated amount in the biennial  
 5 budget request.

6 Sec. 3. Minnesota Statutes 2004, section 403.11,  
 7 subdivision 3a, is amended to read:

8 Subd. 3a. [TIMELY CERTIFICATION.] A certification must be  
 9 submitted to the commissioner no later than two-years 90 days  
 10 after commencing a new or additional eligible 911 service. Any  
 11 ~~wireless-or-wire-line-telecommunications-service-provider~~  
 12 ~~incurring-reimbursable-costs-under-this-section-at-any-time~~  
 13 ~~before-January-17-2003,-may-certify-those-costs-for-payment-to~~  
 14 ~~the-commissioner-according-to-this-section-for-a-period-of-90~~  
 15 ~~days-after-January-17-2003.--During-this-period,-the~~  
 16 ~~commissioner-shall-reimburse-any-wireless-or-wire-line~~  
 17 ~~telecommunications-service-provider-for-approved,-certified~~  
 18 ~~costs-without-regard-to-any-contrary-provision-of-this~~  
 19 ~~subdivision~~ Each applicable contract must provide that, if  
 20 certified expenses under the contract deviate from estimates in  
 21 the contract by more than ten percent, the commissioner may  
 22 reduce the level of service without incurring any termination  
 23 fees.

24 Sec. 4. Minnesota Statutes 2004, section 403.113,  
 25 subdivision 1, is amended to read:

26 Subdivision 1. [FEE.] (a) Each customer receiving service  
 27 from a wireless or wire-line telecommunications service provider  
 28 is assessed a fee to fund implementation, operation,  
 29 maintenance, enhancement, and expansion of enhanced 911 service,  
 30 including acquisition of necessary equipment and the costs of  
 31 the commissioner to administer the program. The actual fee  
 32 assessed under section 403.11 and the enhanced 911 service fee  
 33 must be collected as one amount and may not exceed the amount  
 34 specified in section 403.11, subdivision 1, paragraph (c).

35 (b) The enhanced 911 service fee must be collected and  
 36 deposited in the same manner as the fee in section 403.11 and

1 used solely for the purposes of paragraph (a) and subdivision 3.

2 (c) The commissioner, in consultation with counties and 911  
3 system users, shall determine the amount of the enhanced 911  
4 service fee. The fee must include at least ~~ten~~ 20 cents per  
5 month to be distributed under subdivision 2. If a greater  
6 amount is appropriated, the greater amount must be distributed.

7 The commissioner shall inform wireless and wire-line  
8 telecommunications service providers that provide service  
9 capable of originating a 911 emergency telephone call of the  
10 total amount of the 911 service fees in the same manner as  
11 provided in section 403.11.

12 Sec. 5. Minnesota Statutes 2004, section 403.27,  
13 subdivision 1, is amended to read:

14 Subdivision 1. [AUTHORIZATION.] (a) After consulting with  
15 the commissioner of finance, the council, if requested by a vote  
16 of at least two-thirds of all of the members of the Metropolitan  
17 Radio Board, may, by resolution, authorize the issuance of its  
18 revenue bonds for any of the following purposes to:

19 (1) provide funds for regionwide mutual aid and emergency  
20 medical services communications;

21 (2) provide funds for the elements of the first phase of  
22 the regionwide public safety radio communication system that the  
23 board determines are of regionwide benefit and support mutual  
24 aid and emergency medical services communication including, but  
25 not limited to, costs of master controllers of the backbone;

26 (3) provide money for the second phase of the public safety  
27 radio communication system;

28 (4) to the extent money is available after meeting the  
29 needs described in clauses (1) to (3), provide money to  
30 reimburse local units of government for amounts expended for  
31 capital improvements to the first phase system previously paid  
32 for by the local government units; ~~or~~

33 (5) to the extent money is available after meeting the  
34 needs described in clauses (1) to (4), provide money to  
35 reimburse local units of government for up to 50 percent of the  
36 cost of building a subsystem in the southeast or central

1 district of the State Patrol; or

2 (6) refund bonds issued under this section.

3 (b) After consulting with the commissioner of finance, the  
4 council, if requested by a vote of at least two-thirds of all of  
5 the members of the Statewide Radio Board, may, by resolution,  
6 authorize the issuance of its revenue bonds to provide money for  
7 the third phase of the public safety radio communication system.

8 Sec. 6. Minnesota Statutes 2004, section 403.27,  
9 subdivision 3, is amended to read:

10 Subd. 3. [LIMITATIONS.] (a) The principal amount of the  
11 bonds issued pursuant to subdivision 1, exclusive of any  
12 original issue discount, shall not exceed the amount of  
13 \$10,000,000 plus the amount the council determines necessary to  
14 pay the costs of issuance, fund reserves, debt service, and pay  
15 for any bond insurance or other credit enhancement.

16 (b) In addition to the amount authorized under paragraph  
17 (a), the council may issue bonds under subdivision 1 in a  
18 principal amount of \$3,306,300, plus the amount the council  
19 determines necessary to pay the cost of issuance, fund reserves,  
20 debt service, and any bond insurance or other credit  
21 enhancement. The proceeds of bonds issued under this paragraph  
22 may not be used to finance portable or subscriber radio sets.

23 (c) In addition to the amount authorized under paragraphs  
24 (a) and (b), the council may issue bonds under subdivision 1 in  
25 a principal amount of ~~\$18,000,000~~ \$8,000,000, plus the amount  
26 the council determines necessary to pay the costs of issuance,  
27 fund reserves, debt service, and any bond insurance or other  
28 credit enhancement. The proceeds of bonds issued under this  
29 paragraph must be used to pay up to 50 percent of the cost to a  
30 local government unit of building a subsystem and may not be  
31 used to finance portable or subscriber radio sets. The bond  
32 proceeds may be used to make improvements to an existing 800-MHz  
33 radio system that will interoperate with the regionwide public  
34 safety radio communication system, provided that the  
35 improvements conform to the board's plan and technical  
36 standards. The council must time the sale and issuance of the

1 bonds so that the debt service on the bonds can be covered by  
2 the ~~additional~~ revenue ~~that will become available in the fiscal~~  
3 ~~year ending June 30, 2005,~~ generated under section 403.11 and  
4 appropriated under section 403.30.

5 (d) In addition to the amount authorized under paragraphs  
6 (a) to (c), the council may issue bonds under subdivision 1 in a  
7 principal amount of up to ~~\$27,000,000~~ \$44,000,000, plus the  
8 amount the council determines necessary to pay the costs of  
9 issuance, fund reserves, debt service, and any bond insurance or  
10 other credit enhancement. The proceeds of bonds issued under  
11 this paragraph are appropriated to the commissioner of public  
12 safety for phase three of the public safety radio communication  
13 system. In anticipation of the receipt by the commissioner of  
14 public safety of the bond proceeds, the Metropolitan Radio Board  
15 may advance money from its operating appropriation to the  
16 commissioner of public safety to pay for design and preliminary  
17 engineering for phase three. The commissioner of public safety  
18 must return these amounts to the Metropolitan Radio Board when  
19 the bond proceeds are received. The council must time the sale  
20 and issuance of the bonds so that the debt service on the bonds  
21 can be covered by the revenue generated under section 403.11 and  
22 appropriated under section 403.30.

23 (e) In addition to the amount authorized under paragraphs  
24 (a) to (d), the council may issue bonds under subdivision 1 in a  
25 principal amount of up to \$9,500,000, plus the amount the  
26 council determines necessary to pay the costs of issuance, fund  
27 reserves, debt service, and any bond insurance or other credit  
28 enhancement. The proceeds of bonds issued under this paragraph  
29 are appropriated to the commissioner of public safety for the  
30 purpose of subdivision 1, paragraph (a), clause (5), provided  
31 that the proceeds may not be used to finance portable or  
32 subscriber radio sets. The council must time the sale and  
33 issuance of the bonds so that the debt service on the bonds can  
34 be covered by the revenue generated under section 403.11 and  
35 appropriated under section 403.30.

36 Sec. 7. Minnesota Statutes 2004, section 403.30,

1 subdivision 1, is amended to read:

2 Subdivision 1. [~~STANDING OPEN~~ APPROPRIATION; COSTS  
3 COVERED.] ~~For each fiscal year beginning with the fiscal year~~  
4 ~~commencing July 17, 1997,~~ The amount necessary to pay the  
5 following costs is appropriated to the commissioner of public  
6 safety from the 911 emergency telecommunications service account  
7 established under section 403.11:

8 (1) debt service costs and reserves for bonds issued  
9 pursuant to section 403.27;

10 (2) repayment of the right-of-way acquisition loans;

11 (3) costs of design, construction, maintenance of, and  
12 improvements to those elements of the first, second, and third  
13 phases that support mutual aid communications and emergency  
14 medical communication services;

15 (4) recurring charges for leased sites and equipment for  
16 those elements of the first, second, and third phases that  
17 support mutual aid and emergency medical communication services;  
18 or

19 (5) aid to local units of government for sites and  
20 equipment in support of mutual aid and emergency medical  
21 communications services.

22 A portion of this appropriation equal to 13 cents a month  
23 for each customer access line or other basic access service,  
24 including trunk equivalents as designated by the Public  
25 Utilities Commission for access charge purposes and including  
26 cellular and other nonwire access services, shall only be used  
27 to pay annual debt service costs and fund reserves for bonds  
28 issued pursuant to section 403.27 prior-to-use-of-fee-money-to  
29 pay-other-costs-eligible-under-this-subdivision. In-no-event  
30 shall The balance of this appropriation may be used to pay  
31 annual debt service costs if the portion equal to 13 cents a  
32 month is insufficient. If a direct appropriation for these  
33 purposes is insufficient to pay all debt service as it comes  
34 due, the commissioner shall notify the Committee on Finance of  
35 the senate and the Committee on Ways and Means of the house of  
36 representatives of the amount of the deficiency and shall then

1 pay the necessary amount under the open appropriation in this  
2 subdivision.

3 Before each sale of bonds under section 403.27, the council  
4 shall calculate the amount of debt service payments that will be  
5 needed on bonds previously issued and shall estimate the amount  
6 of debt service payments that will be needed on the bonds  
7 scheduled to be sold. The council shall adjust the amount of  
8 bonds scheduled to be sold so that the appropriation for each  
9 fiscal year for the life of the bonds will not exceed an amount  
10 equal to four 13 cents a month for each customer access line or  
11 other basic access service, including trunk equivalents as  
12 designated by the Public Utilities Commission for access charge  
13 purposes and including cellular and other nonwire access  
14 services, in the fiscal year. Beginning July 1, 2004, this  
15 amount will increase to 13 cents a month.

16 Sec. 8. Minnesota Statutes 2004, section 403.30,  
17 subdivision 3, is amended to read:

18 Subd. 3. [MONTHLY APPROPRIATION TRANSFERS.] ~~Each month,~~  
19 ~~before the 25th day of the month,~~ The commissioner shall  
20 transmit to the Metropolitan Council ~~1/12 of its total approved~~  
21 ~~appropriation for the regionwide public safety communication~~  
22 system the amount needed to cover debt service costs and  
23 reserves for bonds issued under section 403.27.

24 Sec. 9. Minnesota Statutes 2004, section 403.31,  
25 subdivision 6, is amended to read:

26 Subd. 6. [OPERATING COSTS OF PHASES THREE TO SIX.] (a) The  
27 ongoing costs of the commissioner in operating phases three to  
28 six of the statewide public safety radio communication system  
29 shall be allocated among and paid by the following users, all in  
30 accordance with the statewide public safety radio communication  
31 system plan developed by the planning committee under section  
32 403.36:

33 (1) the state of Minnesota for its operations using the  
34 system;

35 (2) all local government units using the system; and

36 (3) other eligible users of the system.

1 (b) Each local government and other eligible users of  
 2 phases three to six of the system shall pay to the commissioner  
 3 all sums charged under this section, at the times and in the  
 4 manner determined by the commissioner. The governing body of  
 5 each local government shall take all action that may be  
 6 necessary to provide the funds required for these payments and  
 7 to make the payments when due.

8 (c) If the governing body of any local government using  
 9 phase three, four, five, or six of the system fails to meet any  
 10 payment to the commissioner under this subdivision when due, the  
 11 commissioner may certify to the auditor of the county in which  
 12 the government unit is located the amount required for payment  
 13 of the amount due with interest at six percent per year. The  
 14 auditor shall levy and extend the amount due, with interest, as  
 15 a tax upon all taxable property in the government unit for the  
 16 next calendar year, free from any existing limitations imposed  
 17 by law or charter. This tax shall be collected in the same  
 18 manner as the general taxes of the government unit, and the  
 19 proceeds of the tax, when collected, shall be paid by the county  
 20 treasurer to the commissioner and credited to the government  
 21 unit for which the tax was levied.

22 Sec. 10. [APPROPRIATION.]

23 The sums set forth in this section are appropriated from  
 24 the 911 emergency telecommunications service account in the  
 25 special revenue fund to the commissioner of public safety for  
 26 the purposes indicated in this section, to be available for the  
 27 fiscal year ending June 30 in the years indicated.

|                                      | <u>2006</u>        | <u>2007</u>        |
|--------------------------------------|--------------------|--------------------|
| 29 <u>(a) Prior Year Obligations</u> | <u>\$3,442,000</u> | <u>\$3,064,000</u> |

30 To fund a deficiency due to prior year  
 31 obligations under Minnesota Statutes,  
 32 section 403.11, that were estimated in  
 33 the December 2004 911 fund statement to  
 34 be \$6,504,700 on July 1, 2005. "Prior  
 35 year obligations" means reimbursable  
 36 costs under Minnesota Statutes, section  
 37 403.11, subdivision 1, incurred under  
 38 the terms and conditions of a contract  
 39 with the state for a fiscal year  
 40 preceding fiscal year 2004, that have  
 41 been certified in a timely manner in  
 42 accordance with Minnesota Statutes,



1 section 403.11, subdivision 3a, and  
2 that are not barred by statute of  
3 limitation or other defense. The  
4 appropriations needed for this purpose  
5 are estimated to be none in fiscal year  
6 2008 and thereafter.

7 (b) Public Safety Answering Points                    6,884,000                    7,087,000

8 To be distributed as provided in  
9 Minnesota Statutes, section 403.113,  
10 subdivision 2.

11 This appropriation may only be used for  
12 public safety answering points that  
13 have implemented phase two wireless  
14 enhanced 911 service or whose  
15 governmental agency has made a binding  
16 commitment to the commissioner of  
17 public safety to implement phase two  
18 wireless enhanced 911 service by  
19 January 1, 2008.

20 (c) Medical Resource  
21 Communication Centers                                    688,000                                    709,000

22 For grants to the Minnesota Emergency  
23 Medical Services Regulatory Board for  
24 the Metro East and Metro West Medical  
25 Resource Communication Centers that  
26 were in operation before January 1,  
27 2000.

28            Sec. 11. [EFFECTIVE DATE.]

29            Sections 1 to 10 are effective the day following final  
30 enactment and apply to contracts entered into on or after that  
31 date.

**Senate Counsel, Research,  
and Fiscal Analysis**

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# Senate

State of Minnesota

## **S.F. No. 1045 - Public Safety Radio System A-5 Delete-Everything Amendment**

**Author:** Senator Jane B. Ranum

**Prepared by:** Peter S. Wattson, Senate Counsel (651/296-3812) 

**Date:** April 11, 2005

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The **SCS1045A-5** amendment makes a number of changes to the bill:

1. It provides for a transition of the 911 fee from one that is based on each telephone line to one that is based on each telephone number, with the change to become effective July 1, 2006. This is language taken from Senator Anderson's S.F. No. 1647, which has also been amended into Senator Kelley's S.F. No. 1370 as article 1, section 3. This amendment differs from those bills in requiring the Public Utilities Commission to report its recommended method for assessing the fee to the Legislature at the 2006 session and requiring legislative approval before the new method becomes effective, which must be no later than January 1, 2007.
2. It replaces the current authorization for the Metropolitan Council to sell 911 revenue bonds for phases two and three of the 800 MHz public safety radio communications system with a similar authorization for the Commissioner of Finance to sell the bonds.
3. It changes the method for allocating 911 revenue from one based on a certain number of cents per month to one based on direct appropriations of a certain number of dollars per year.
4. It dedicates 20 cents of the fee (ten cents under current law plus ten cents of the increase) to Public Safety Answering Points (PSAPs) by making a direct appropriation of that amount and giving that appropriation priority over other appropriations, other than debt service, if revenue to the 911 account is insufficient to meet all its obligations in any fiscal year.
5. It adds several provisions from H.F. No. 2103 (Representative Powell), a housekeeping bill recommended by the Department of Public Safety for the 911 program.

A summary of the entire bill, as amended by the A-5 amendment, follows.

**S.F. No. 1045**, as amended by the A-5 amendment, provides for a transition of the 911 fee from one that is based on each telephone line to one that is based on each telephone number, with the change to become effective July 1, 2006. It increases the current 911 emergency telephone services fee by 25 cents to fund the current deficiency in the costs of operating the 911 telephone system, to pay off prior year obligations of the 911 telephone fund, and to help defray the cost of operating PSAPs. It authorizes the Commissioner of Public Safety to impose certain cost controls on 911 emergency telephone services contracts. It shortens the time limit for telephone companies to certify to the Commissioner their costs for providing 911 service. It replaces the current authorization for the Metropolitan Council to sell 911 revenue bonds for phases two and three of the 800 MHz public safety radio communications system with a similar authorization for the Commissioner of Finance to sell the bonds. It reduces the bond authorization for the second phase (in the metropolitan area) and increases the bond authorization for the third phase (in the areas around Rochester and St. Cloud). Finally, it sets priorities for payment of debt service costs from the 911 account.

Bonds for phases two and three of the 800 MHz radio system were previously authorized but not sold. They were authorized by Laws 2002, ch. 401, art. 1, § 7, and Laws 2003, First Sp. Sess. ch. 1, art. 2, §§ 116, and were to be paid for with fee increases totaling nine cents authorized by Laws 2002 ch. 401, art. 1, §§ 3, 8, and Laws 2003, First Sp. Sess. ch. 1, art. 2, §§ 108, 117. The bonds were not sold because the Governor chose to divert the revenue from the nine-cent fee increase to pay operating costs of the telephone service when it became clear in the February 2004 forecast that actual revenue would fall short of the amounts forecast in February 2003.

**Section 1** provides for a transition of the 911 fee from one that is based on each telephone line to one that is based on each telephone number, with the change to become effective July 1, 2006. It requires the Public Utilities Commission to recommend to the Legislature by January 15, 2006, the new method for assessing the fee, which will become effective no later than January 1, 2007.

**Section 2** transfers administration of the telephone assistance plan (TAP) from the Department of Administration to the Department of Public Safety. This is a conforming change to reflect a transfer that has already taken place.

**Section 3** strikes a reference to a "special viewing screen" for the enhanced 911 program, which no longer uses one.

**Section 4** updates the definition of enhanced 911 service to distinguish between the common network and database and the connections to the network.

**Section 5** provides a more generic definition of the three elements of the 911 service to accommodate changing technology whereby telephones are looking more like computer networks.

**Section 6** adds a new definition of "911 emergency telecommunications service provider" to enable contracting with entities other than telephone companies.

**Section 7** adds wireless providers and packet-based telecommunication (VoIP) to the statute requiring phone companies to design their systems to provide 911 service. In spite of being included in the definition, VoIP providers like Vonage are not subject to state regulation without their consent, since they have been exempted by the FCC and federal court decisions.

**Section 8** allows the state to contract with providers other than wire-line telecommunications service providers, in recognition of the growing role of nontelephone companies in providing 911 service.

**Section 9** requires that wireless 911 calls be routed to the same 911 system as wire-line calls, as now is possible to do.

**Section 10** allows the state to contract with providers other than wire-line telecommunications service providers, in recognition of the growing role of nontelephone companies in providing 911 service.

**Section 11** allows the state to contract with providers other than wire-line telecommunications service providers, in recognition of the growing role of nontelephone companies in providing 911 service.

**Section 12** adds a reference to packet-based telecommunications service providers and increases the 911 emergency telephone services fee from 40 to 65 cents a month limits the payment of telephone company charges for providing 911 service to those costs set forth in the company's contract with the Commissioner of Public Safety, and authorizes the Commissioner not to contract to pay for services required by federal law or regulation.

**Section 13** limits the payment of telephone company charges for providing 911 service to those costs set forth in the company's contract with the Commissioner of Public Safety and adds a reference to include packet-based telecommunications service providers.

**Section 14** shortens from two years to one year the time limit for a telephone company to certify to the Commissioner of Public Safety its charges for providing 911 services and requires each contract to provide that the Commissioner may limit payment of costs to 110 percent of the amount estimated when the contract was signed.

**Section 15** adds a reference to include packet-based telecommunications service providers and strikes the current dedication of ten cents of the fee to paying the costs of operating PSAPs, since the future amount of the fee under the new system is unknown. The bill includes a direct appropriation of the amount raised by 20 cents of the fee, ten cents under current law plus ten cents of the increase.

**Section 16** strikes language authorizing the Metropolitan Council to sell bonds for phase three.

**Section 17** strikes language authorizing the Metropolitan Council to sell bonds for phases two and three.

**Section 18** authorizes the Commissioner of Finance to sell 911 revenue bonds to pay the costs of the 800 MHz statewide public safety radio communication system that the Statewide Radio Board determines are of regional or statewide benefit. The bonds are payable from revenue to the 911 account.

**Section 19** provides an open appropriation for the payment of debt service on the bonds once they have been sold, and sets this appropriation as a first priority for the use of all the revenue in the 911 account so as to insure that the debt service will be paid on time.

**Section 20** appropriates to the Commissioner of Public Safety the proceeds of five cents of the 911 fee to pay off prior year obligations of the 911 account. (The amount needed for 2007 is \$378,000 less than five cents a month. That amount is available to support the telephone operating deficiency.) It states the intent of the Legislature to complete paying off those prior year obligations during the next biennium. It appropriates the proceeds of ten cents of the current fee plus ten cents of the fee increase to operate PSAPs and the proceeds of one cent of the fee for grants to the medical resource communication centers that direct incoming ambulances to the appropriate hospital emergency rooms. It appropriates the proceeds of nine cents of the fee to pay debt service on the bonds for the 800 MHz radio system and to pay cash for the system to the extent the appropriation is not needed to pay debt service.

### 911 Emergency Telephone System

| Purpose                                | Cents/Month | 2006                | 2007                |
|--|-------------|---------------------|---------------------|
| Telephone Prior Year Obligations       | 5.0         | \$3,442,000         | \$3,064,000         |
| Public Safety Answering Points         | 20.0        | \$13,640,000        | \$13,664,000        |
| Medical Resource Communication Centers | 1.0         | \$682,000           | \$683,000           |
| Debt Service and Capital Costs         | 9.0         | \$6,138,000         | \$6,149,000         |
| <b>Total</b>                           | <b>35.0</b> | <b>\$23,902,000</b> | <b>\$23,560,000</b> |

**Section 21** authorizes the sale of 911 revenue bonds by the Commissioner of Finance to replace the bond authorizations enacted in 2002 and 2003 for the sale of similar bonds by the Metropolitan Council. It reduces the bond sale authorization for phase two (building local radio subsystems in the metropolitan area) to \$8 million to reflect the fact that \$13 million of federal Homeland Security money was used for this purpose in 2004, but the addition of Chisago and Isanti Counties to phase two has increased the state share by about \$3 million, as shown in the following table:

### Phase Two Costs

|  |                    |
|--|--------------------|
| 2003 Estimate                                | \$18,000,000       |
| 2004 Homeland Security Grant                 | (\$13,000,000)     |
| 2004 Addition of Chisago and Isanti Counties | \$3,000,000        |
| <b>Total</b>                                 | <b>\$8,000,000</b> |

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It increases the bond sale authorization for phase three (building the system backbone of transmission towers and related equipment in the Rochester and St. Cloud districts of the State Patrol) to \$45 million, to reflect the 2004 cost estimate made by the Department of Transportation. It authorizes \$9.5 million of 911 bonds to be sold to reimburse local units of government for up to 50 percent to the cost of building a subsystem in the southeast or central district of the State Patrol.

**Section 22** makes the act effective immediately and applies it to 911 services contracts executed on or after that date.

PSW:ph

cc: Senator Ellen R. Anderson  
Senator Steve Kelley  
Ken Backhus  
Chris Turner  
John Fuller  
Matthew Grosser  
Don Jarovsky

1 Senator ..... moves to amend S.F. No. 1045 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. [237.491] [COMBINED PER NUMBER FEE.]

4 Subdivision 1. [DEFINITIONS.] (a) The definitions in this  
5 subdivision apply to this section.

6 (b) "911 emergency and public safety communications program"  
7 means the program governed by chapter 403.

8 (c) "Minnesota telephone number" means a ten-digit  
9 telephone number being used to connect to the public switched  
10 telephone network and starting with area code 218, 320, 507,  
11 612, 651, 763, or 952, or any subsequent area code assigned to  
12 this state.

13 (d) "Service provider" means a provider doing business in  
14 this state who provides real time, two-way voice service with a  
15 Minnesota telephone number.

16 (e) "Telecommunications access Minnesota program" means the  
17 program governed by sections 237.50 to 237.55.

18 (f) "Telephone assistance program" means the program  
19 governed by sections 237.69 to 237.711.

20 Subd. 2. [PER NUMBER FEE.] (a) By January 15, 2006, the  
21 Public Utilities Commission shall report to the legislature and  
22 to the senate Committee on Jobs, Energy, and Community  
23 Development, its recommendations for the amount of and method  
24 for assessing a fee that would apply to each service provider  
25 based upon the number of Minnesota telephone numbers in use by  
26 current customers of the service provider. The fee would be set  
27 at a level calculated to generate only the amount of revenue  
28 necessary to fund:

29 (1) the telephone assistance program and the  
30 telecommunications access Minnesota program at the levels  
31 established by the commission under sections 237.52, subdivision  
32 2, and 237.70; and

33 (2) the 911 emergency and public safety communications  
34 program at the levels appropriated by law to the commissioner of  
35 public safety for purposes of sections 403.11, 403.113, 403.27,  
36 403.30, and 403.31 for each fiscal year.

1       (b) The recommendations must include any changes to  
2 Minnesota Statutes necessary to establish the procedures whereby  
3 each service provider, to the extent allowed under federal law,  
4 would collect and remit the fee proceeds to the commissioner of  
5 revenue. The commissioner of revenue would allocate the fee  
6 proceeds to the three funding areas in paragraph (a) and credit  
7 the allocations to the appropriate accounts.

8       (c) The recommendations must be designed to allow the  
9 combined per telephone number fee to be collected beginning July  
10 1, 2006. The per access line fee used to collect revenues to  
11 support the TAP, TAM, and 911 programs remains in effect until  
12 no later than January 1, 2007.

13       (d) As part of the process of developing the  
14 recommendations and preparing the report to the legislature  
15 required under paragraph (a), the Public Utilities Commission  
16 must, at a minimum, consult regularly with the Departments of  
17 Public Safety, Finance, Administration, and Commerce, service  
18 providers, appropriate legislative staff, and other affected  
19 parties.

20       Sec. 2. Minnesota Statutes 2004, section 237.70,  
21 subdivision 7, is amended to read:

22       Subd. 7. [APPLICATION, NOTICE, FINANCIAL ADMINISTRATION,  
23 COMPLAINT INVESTIGATION.] The telephone assistance plan must be  
24 administered jointly by the commission, the Department of  
25 Commerce, and the local service providers in accordance with the  
26 following guidelines:

27       (a) The commission and the Department of Commerce shall  
28 develop an application form that must be completed by the  
29 subscriber for the purpose of certifying eligibility for  
30 telephone assistance plan credits to the local service  
31 provider. The application must contain the applicant's Social  
32 Security number. Applicants who refuse to provide a Social  
33 Security number will be denied telephone assistance plan  
34 credits. The application form must also include a statement  
35 that the applicant household is currently eligible for one of  
36 the programs that confers eligibility for the federal Lifeline



1 Program. The application must be signed by the applicant,  
2 certifying, under penalty of perjury, that the information  
3 provided by the applicant is true.

4 (b) Each local service provider shall annually mail a  
5 notice of the availability of the telephone assistance plan to  
6 each residential subscriber in a regular billing and shall mail  
7 the application form to customers when requested.

8 The notice must state the following:

9 YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE  
10 BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE  
11 PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE  
12 CONTACT .....

13 (c) An application may be made by the subscriber, the  
14 subscriber's spouse, or a person authorized by the subscriber to  
15 act on the subscriber's behalf. On completing the application  
16 certifying that the statutory criteria for eligibility are  
17 satisfied, the applicant must return the application to the  
18 subscriber's local service provider. On receiving a completed  
19 application from an applicant, the subscriber's local service  
20 provider shall provide telephone assistance plan credits against  
21 monthly charges in the earliest possible month following receipt  
22 of the application. The applicant must receive telephone  
23 assistance plan credits until the earliest possible month  
24 following the service provider's receipt of information that the  
25 applicant is ineligible.

26 If the telephone assistance plan credit is not itemized on the  
27 subscriber's monthly charges bill for local telephone service,  
28 the local service provider must notify the subscriber of the  
29 approval for the telephone assistance plan credit.

30 (d) The commission shall serve as the coordinator of the  
31 telephone assistance plan and be reimbursed for its  
32 administrative expenses from the surcharge revenue pool. As the  
33 coordinator, the commission shall:

34 (1) establish a uniform statewide surcharge in accordance  
35 with subdivision 6;

36 (2) establish a uniform statewide level of telephone

1 assistance plan credit that each local service provider shall  
2 extend to each eligible household in its service area;

3 (3) require each local service provider to account to the  
4 commission on a periodic basis for surcharge revenues collected  
5 by the provider, expenses incurred by the provider, not to  
6 include expenses of collecting surcharges, and credits extended  
7 by the provider under the telephone assistance plan;

8 (4) require each local service provider to remit surcharge  
9 revenues to the Department of ~~Administration~~ Public Safety for  
10 deposit in the fund; and

11 (5) remit to each local service provider from the surcharge  
12 revenue pool the amount necessary to compensate the provider for  
13 expenses, not including expenses of collecting the surcharges,  
14 and telephone assistance plan credits. When it appears that the  
15 revenue generated by the maximum surcharge permitted under  
16 subdivision 6 will be inadequate to fund any particular  
17 established level of telephone assistance plan credits, the  
18 commission shall reduce the credits to a level that can be  
19 adequately funded by the maximum surcharge. Similarly, the  
20 commission may increase the level of the telephone assistance  
21 plan credit that is available or reduce the surcharge to a level  
22 and for a period of time that will prevent an unreasonable  
23 overcollection of surcharge revenues.

24 (e) Each local service provider shall maintain adequate  
25 records of surcharge revenues, expenses, and credits related to  
26 the telephone assistance plan and shall, as part of its annual  
27 report or separately, provide the commission and the Department  
28 of Commerce with a financial report of its experience under the  
29 telephone assistance plan for the previous year. That report  
30 must also be adequate to satisfy the reporting requirements of  
31 the federal matching plan.

32 (f) The Department of Commerce shall investigate complaints  
33 against local service providers with regard to the telephone  
34 assistance plan and shall report the results of its  
35 investigation to the commission.

36 Sec. 3. Minnesota Statutes 2004, section 403.02,

1 subdivision 7, is amended to read:

2 Subd. 7. [AUTOMATIC LOCATION IDENTIFICATION.] "Automatic  
3 location identification" means the process of electronically  
4 identifying and displaying ~~on-a-special-viewing-screen~~ the name  
5 of the subscriber and the location, where available, of the  
6 calling telephone number to a person answering a 911 emergency  
7 call.

8 Sec. 4. Minnesota Statutes 2004, section 403.02,  
9 subdivision 13, is amended to read:

10 Subd. 13. [ENHANCED 911 SERVICE.] "Enhanced 911 service"  
11 means the use of ~~selective-routing~~, automatic location  
12 identification, or local location identification as part of  
13 local 911 service provided by an enhanced 911 system consisting  
14 of a common 911 network and database and customer data and  
15 network components connecting to the common 911 network and  
16 database.

17 Sec. 5. Minnesota Statutes 2004, section 403.02,  
18 subdivision 17, is amended to read:

19 Subd. 17. [911 SERVICE.] "911 service" means a  
20 telecommunications service that automatically connects a person  
21 dialing the digits 911 to an established public safety answering  
22 point. 911 service includes:

23 (1) ~~equipment-for-connecting-and-outswitching-911-calls~~  
24 ~~within-a-telephone-central-office,-trunking-facilities-from-the~~  
25 ~~central-office-to-a-public-safety-answering-point~~ customer data  
26 and network components connecting to the common 911 network and  
27 database;

28 (2) common 911 network and database equipment, as  
29 appropriate, for automatically selectively routing 911 calls in  
30 ~~situations-where-one-telephone-central-office-serves-more-than~~  
31 ~~one~~ to the public safety answering point serving the caller's  
32 jurisdiction; and

33 (3) provision of automatic location identification if the  
34 public safety answering point has the capability of providing  
35 that service.

36 Sec. 6. Minnesota Statutes 2004, section 403.02, is

1 amended by adding a subdivision to read:

2       Subd. 17a. [911 EMERGENCY TELECOMMUNICATIONS SERVICE  
3 PROVIDER.] "911 emergency telecommunications service provider"  
4 means a telecommunications service provider or other entity,  
5 determined by the commissioner to be capable of providing  
6 effective and efficient components of the 911 system, that  
7 provides all or portions of the network and database for  
8 automatically selectively routing 911 calls to the public safety  
9 answering point serving the caller's jurisdiction.

10       Sec. 7. Minnesota Statutes 2004, section 403.025,  
11 subdivision 3, is amended to read:

12       Subd. 3. [~~WIRE-LINE~~ CONNECTED TELECOMMUNICATIONS SERVICE  
13 PROVIDER REQUIREMENTS.] Every owner and operator of a  
14 wire-line or wireless circuit switched or packet-based  
15 telecommunications system connected to the public switched  
16 telephone network shall design and maintain the system to dial  
17 the 911 number without charge to the caller.

18       Sec. 8. Minnesota Statutes 2004, section 403.025,  
19 subdivision 7, is amended to read:

20       Subd. 7. [CONTRACTUAL REQUIREMENTS.] (a) The state,  
21 together with the county or other governmental agencies  
22 operating public safety answering points, shall contract with  
23 the appropriate wire-line telecommunications service  
24 providers or other entities determined by the commissioner to be  
25 capable of providing effective and efficient components of the  
26 911 system for the operation, maintenance, enhancement, and  
27 expansion of the 911 system.

28       (b) The state shall contract with the appropriate wireless  
29 telecommunications service providers for maintaining, enhancing,  
30 and expanding the 911 system.

31       (c) The contract language or subsequent amendments to the  
32 contract must include a description of the services to be  
33 ~~furnished by wireless and wire-line telecommunications service~~  
34 ~~providers~~ to the county or other governmental agencies operating  
35 public safety answering points, ~~as well as compensation based on~~  
36 ~~the effective tariff or price list approved by the Public~~

1 ~~Utilities-Commission~~. The contract language or subsequent  
2 amendments must include the terms of compensation based on the  
3 effective tariff or price list filed with the Public Utilities  
4 Commission or the prices agreed to by the parties.

5 (d) The contract language or subsequent amendments to  
6 contracts between the parties must contain a provision for  
7 resolving disputes.

8 Sec. 9. Minnesota Statutes 2004, section 403.05,  
9 subdivision 1, is amended to read:

10 Subdivision 1. [OPERATE AND MAINTAIN.] Each county or any  
11 other governmental agency shall operate and maintain its 911  
12 system to meet the requirements of governmental agencies whose  
13 services are available through the 911 system and to permit  
14 future expansion or enhancement of the system. Each county or  
15 any other governmental agency ~~shall-ensure~~ that has jurisdiction  
16 over a wire-line 911 emergency call also has primary  
17 jurisdiction over a 911 emergency call made with a wireless  
18 access device ~~is-automatically-connected-to-and-answered-by-the~~  
19 ~~appropriate-public-safety-answering-point~~.

20 Sec. 10. Minnesota Statutes 2004, section 403.05,  
21 subdivision 3, is amended to read:

22 Subd. 3. [AGREEMENTS FOR SERVICE.] Each county and any  
23 other governmental agency shall contract with the state and  
24 wire-line telecommunications service providers or other entities  
25 determined by the commissioner to be capable of providing  
26 effective and efficient components of the 911 system for the  
27 recurring and nonrecurring costs associated with operating and  
28 maintaining 911 emergency communications systems.

29 Sec. 11. Minnesota Statutes 2004, section 403.08,  
30 subdivision 10, is amended to read:

31 Subd. 10. [PLAN INTEGRATION.] Counties shall incorporate  
32 the statewide design when modifying county 911 plans to provide  
33 for integrating wireless 911 service into existing county 911  
34 systems. The commissioner shall contract with the involved  
35 wireless service providers and 911 emergency telecommunications  
36 service providers to integrate cellular and other wireless

1 services into existing 911 systems where feasible.

2 Sec. 12. Minnesota Statutes 2004, section 403.11,  
3 subdivision 1, is amended to read:

4 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE;  
5 ACCOUNT.] (a) Each customer of a wireless or wire-line switched  
6 or packet-based telecommunications service provider connected to  
7 the public switched telephone network that furnishes service  
8 capable of originating a 911 emergency telephone call is  
9 assessed a fee based upon the number of wired or wireless  
10 telephone lines, or their equivalent, to cover the costs of  
11 ongoing maintenance and related improvements for trunking and  
12 central office switching equipment for 911 emergency  
13 telecommunications service, plus administrative and staffing  
14 costs of the commissioner related to managing the 911 emergency  
15 telecommunications service program. Recurring charges by a  
16 wire-line telecommunications service provider for updating the  
17 information required by section 403.07, subdivision 3, must be  
18 paid by the commissioner if the wire-line telecommunications  
19 service provider is included in an approved 911 plan and the  
20 charges are made pursuant to ~~tariff, price list, or~~ contract.  
21 The fee assessed under this section must also be used for the  
22 purpose of offsetting the costs, including administrative and  
23 staffing costs, incurred by the State Patrol Division of the  
24 Department of Public Safety in handling 911 emergency calls made  
25 from wireless phones.

26 (b) Money remaining in the 911 emergency telecommunications  
27 service account after all other obligations are paid must not  
28 cancel and is carried forward to subsequent years and may be  
29 appropriated from time to time to the commissioner to provide  
30 financial assistance to counties for the improvement of local  
31 emergency telecommunications services. The improvements may  
32 include providing access to 911 service for telecommunications  
33 service subscribers currently without access and upgrading  
34 existing 911 service to include automatic number identification,  
35 local location identification, automatic location  
36 identification, and other improvements specified in revised

1 county 911 plans approved by the commissioner.

2 (c) The fee may not be less than eight cents nor more than  
3 ~~40~~ 65 cents a month for each customer access line or other basic  
4 access service, including trunk equivalents as designated by the  
5 Public Utilities Commission for access charge purposes and  
6 including wireless telecommunications services. With the  
7 approval of the commissioner of finance, the commissioner of  
8 public safety shall establish the amount of the fee within the  
9 limits specified and inform the companies and carriers of the  
10 amount to be ~~collected~~ submitted. When the revenue bonds  
11 authorized under section 403.27, subdivision 1, have been fully  
12 paid or defeased, the commissioner shall reduce the fee to  
13 reflect that debt service on the bonds is no longer needed. The  
14 commissioner shall provide companies and carriers a minimum of  
15 45 days' notice of each fee change. The fee must be the same  
16 for all customers.

17 (d) The fee must be ~~collected~~ submitted by each wireless or  
18 wire-line telecommunications service provider subject to the  
19 fee. Fees are payable to and must be submitted to the  
20 commissioner monthly before the 25th of each month following the  
21 month of ~~collection~~ counted, except that fees may be submitted  
22 quarterly if less than \$250 a month is due, or annually if less  
23 than \$25 a month is due. Receipts must be deposited in the  
24 state treasury and credited to a 911 emergency  
25 telecommunications service account in the special revenue fund.  
26 The money in the account may only be used for 911  
27 telecommunications services.

28 (e) This subdivision does not apply to customers of  
29 interexchange carriers.

30 (f) The installation and recurring charges for integrating  
31 wireless 911 calls into enhanced 911 systems must be paid by the  
32 commissioner if the 911 service provider is included in the  
33 statewide design plan and the charges are made pursuant to  
34 ~~tariff, price list, or~~ contract.

35 (g) Notwithstanding any provision of this chapter to the  
36 contrary, the commissioner need not contract for or agree to pay

1 for any services that a wire-line or wireless telecommunication  
2 service provider is required by federal law or federal  
3 regulation to provide.

4 Sec. 13. Minnesota Statutes 2004, section 403.11,  
5 subdivision 3, is amended to read:

6 Subd. 3. [METHOD OF PAYMENT.] (a) Any wireless or  
7 wire-line telecommunications service provider incurring  
8 reimbursable costs under subdivision 1 shall submit an invoice  
9 itemizing rate elements by county or service area to the  
10 commissioner for 911 services furnished under ~~tariff~~~~-price~~  
11 ~~list~~~~-or~~ contract. Any wireless or wire-line telecommunications  
12 service provider is eligible to receive payment for 911 services  
13 rendered according to the terms and conditions specified in the  
14 contract. Competitive local exchange carriers holding  
15 certificates of authority from the Public Utilities Commission  
16 are eligible to receive payment for recurring 911 services  
17 provided after July 1, 2001. The commissioner shall pay the  
18 invoice within 30 days following receipt of the invoice unless  
19 the commissioner notifies the service provider that the  
20 commissioner disputes the invoice.

21 (b) The commissioner shall estimate the amount required to  
22 reimburse 911 emergency telecommunications service providers and  
23 wireless and wire-line telecommunications service providers for  
24 the state's obligations under subdivision 1 and the governor  
25 shall include the estimated amount in the biennial budget  
26 request.

27 Sec. 14. Minnesota Statutes 2004, section 403.11,  
28 subdivision 3a, is amended to read:

29 Subd. 3a. [TIMELY CERTIFICATION.] A certification must be  
30 submitted to the commissioner no later than ~~two-years~~ one year  
31 after commencing a new or additional eligible 911 service. Any  
32 ~~wireless-or-wire-line-telecommunications-service-provider~~  
33 ~~incurring-reimbursable-costs-under-this-section-at-any-time~~  
34 ~~before-January-17-2003,-may-certify-these-costs-for-payment-to~~  
35 ~~the-commissioner-according-to-this-section-for-a-period-of-90~~  
36 ~~days-after-January-17-2003.--During-this-period,-the~~



1 ~~commissioner shall reimburse any wireless or wire-line~~  
 2 ~~telecommunications service provider for approved, certified~~  
 3 ~~costs without regard to any contrary provision of this~~  
 4 ~~subdivision~~ Each applicable contract must provide that, if  
 5 certified expenses under the contract deviate from estimates in  
 6 the contract by more than ten percent, the commissioner may  
 7 reduce the level of service without incurring any termination  
 8 fees.

9       Sec. 15. Minnesota Statutes 2004, section 403.113,  
 10 subdivision 1, is amended to read:

11       Subdivision 1. [FEE.] (a) Each customer receiving service  
 12 from a wireless or wire-line switched or packet-based  
 13 telecommunications service provider connected to the public  
 14 telephone network that furnishes service capable of originating  
 15 a 911 emergency telephone call is assessed a fee to fund  
 16 implementation, operation, maintenance, enhancement, and  
 17 expansion of enhanced 911 service, including acquisition of  
 18 necessary equipment and the costs of the commissioner to  
 19 administer the program. The actual fee assessed under section  
 20 403.11 and the enhanced 911 service fee must be ~~collected~~  
 21 submitted as one amount and may not exceed the amount specified  
 22 in section 403.11, subdivision 1, paragraph (c).

23       (b) The enhanced 911 service fee must be collected and  
 24 deposited in the same manner as the fee in section 403.11 and  
 25 used solely for the purposes of paragraph (a) and subdivision 3.

26       (c) The commissioner, in consultation with counties and 911  
 27 system users, shall determine the amount of the enhanced 911  
 28 service fee. ~~The fee must include at least ten cents per month~~  
 29 ~~to be distributed under subdivision 2.~~ The commissioner shall  
 30 inform wireless and wire-line telecommunications service  
 31 providers that provide service capable of originating a 911  
 32 emergency telephone call of the total amount of the 911 service  
 33 fees in the same manner as provided in section 403.11.

34       Sec. 16. Minnesota Statutes 2004, section 403.27,  
 35 subdivision 1, is amended to read:

36       Subdivision 1. [AUTHORIZATION.] ~~(a)~~ After consulting with

1 the commissioner of finance, the council, if requested by a vote  
2 of at least two-thirds of all of the members of the Metropolitan  
3 Radio Board, may, by resolution, authorize the issuance of its  
4 revenue bonds for any of the following purposes to:

5 (1) provide funds for regionwide mutual aid and emergency  
6 medical services communications;

7 (2) provide funds for the elements of the first phase of  
8 the regionwide public safety radio communication system that the  
9 board determines are of regionwide benefit and support mutual  
10 aid and emergency medical services communication including, but  
11 not limited to, costs of master controllers of the backbone;

12 (3) provide money for the second phase of the public safety  
13 radio communication system;

14 (4) to the extent money is available after meeting the  
15 needs described in clauses (1) to (3), provide money to  
16 reimburse local units of government for amounts expended for  
17 capital improvements to the first phase system previously paid  
18 for by the local government units; or

19 (5) refund bonds issued under this section.

20 ~~(b)-After-consulting-with-the-commissioner-of-finance,-the~~  
21 ~~council,-if-requested-by-a-vote-of-at-least-two-thirds-of-all-of~~  
22 ~~the-members-of-the-Statewide-Radio-Board,-may,-by-resolution,-~~  
23 ~~authorize-the-issuance-of-its-revenue-bonds-to-provide-money-for~~  
24 ~~the-third-phase-of-the-public-safety-radio-communication-system.~~

25 Sec. 17. Minnesota Statutes 2004, section 403.27,  
26 subdivision 3, is amended to read:

27 Subd. 3. [LIMITATIONS.] (a) The principal amount of the  
28 bonds issued pursuant to subdivision 1, exclusive of any  
29 original issue discount, shall not exceed the amount of  
30 \$10,000,000 plus the amount the council determines necessary to  
31 pay the costs of issuance, fund reserves, debt service, and pay  
32 for any bond insurance or other credit enhancement.

33 (b) In addition to the amount authorized under paragraph  
34 (a), the council may issue bonds under subdivision 1 in a  
35 principal amount of \$3,306,300, plus the amount the council  
36 determines necessary to pay the cost of issuance, fund reserves,

1 debt service, and any bond insurance or other credit  
2 enhancement. The proceeds of bonds issued under this paragraph  
3 may not be used to finance portable or subscriber radio sets.

4 ~~(c)-In-addition-to-the-amount-authorized-under-paragraphs  
5 (a)-and-(b),-the-council-may-issue-bonds-under-subdivision-1-in  
6 a-principal-amount-of-\$18,000,000,-plus-the-amount-the-council  
7 determines-necessary-to-pay-the-costs-of-issuance,-fund  
8 reserves,-debt-service,-and-any-bond-insurance-or-other-credit  
9 enhancement.--The-proceeds-of-bonds-issued-under-this-paragraph  
10 must-be-used-to-pay-up-to-50-percent-of-the-cost-to-a-local  
11 government-unit-of-building-a-subsystem-and-may-not-be-used-to  
12 finance-portable-or-subscriber-radio-sets.--The-bond-proceeds  
13 may-be-used-to-make-improvements-to-an-existing-800-MHz-radio  
14 system-that-will-interoperate-with-the-regionwide-public-safety  
15 radio-communication-system,-provided-that-the-improvements  
16 conform-to-the-board's-plan-and-technical-standards.--The  
17 council-must-time-the-sale-and-issuance-of-the-bonds-so-that-the  
18 debt-service-on-the-bonds-can-be-covered-by-the-additional  
19 revenue-that-will-become-available-in-the-fiscal-year-ending  
20 June-30,-2005,-generated-under-section-403.11-and-appropriated  
21 under-section-403.30-~~

22 ~~(d)-In-addition-to-the-amount-authorized-under-paragraphs  
23 (a)-to-(c),-the-council-may-issue-bonds-under-subdivision-1-in-a  
24 principal-amount-of-up-to-\$27,000,000,-plus-the-amount-the  
25 council-determines-necessary-to-pay-the-costs-of-issuance,-fund  
26 reserves,-debt-service,-and-any-bond-insurance-or-other-credit  
27 enhancement.--The-proceeds-of-bonds-issued-under-this-paragraph  
28 are-appropriated-to-the-commissioner-of-public-safety-for-phase  
29 three-of-the-public-safety-radio-communication-system.--In  
30 anticipation-of-the-receipt-by-the-commissioner-of-public-safety  
31 of-the-bond-proceeds,-the-Metropolitan-Radio-Board-may-advance  
32 money-from-its-operating-appropriation-to-the-commissioner-of  
33 public-safety-to-pay-for-design-and-preliminary-engineering-for  
34 phase-three.--The-commissioner-of-public-safety-must-return  
35 these-amounts-to-the-Metropolitan-Radio-Board-when-the-bond  
36 proceeds-are-received-~~

1       Sec. 18. [403.275] [STATE 911 REVENUE BONDS.]

2       Subdivision 1. [BONDING AUTHORITY.] (a) The commissioner  
3 of finance, if requested by a vote of at least two-thirds of all  
4 the members of the Statewide Radio Board, shall sell and issue  
5 state revenue bonds for the following purposes:

6       (1) to pay the costs of the statewide public safety radio  
7 communication system that the board determines are of regional  
8 or statewide benefit and support mutual aid and emergency  
9 medical services communication, including, but not limited to,  
10 costs of master controllers of the backbone;

11       (2) to pay the costs of issuance, debt service, and bond  
12 insurance or other credit enhancements, and to fund reserves;  
13 and

14       (3) to refund bonds issued under this section.

15       (b) The amount of bonds that may be issued for the purposes  
16 of clause (1) will be set from time to time by law; the amount  
17 of bonds that may be issued for the purposes of clauses (2) and  
18 (3) is not limited.

19       (c) The bond proceeds may be used to to pay up to 50  
20 percent of the cost to a local government unit of building a  
21 subsystem. The bond proceeds may be used to make improvements  
22 to an existing 800 MHz radio system that will interoperate with  
23 the regionwide public safety radio communication system,  
24 provided that the improvements conform to the board's plan and  
25 technical standards. The bond proceeds may not be used to pay  
26 for portable or subscriber radio sets.

27       Subd. 2. [PROCEDURE.] (a) The commissioner may sell and  
28 issue the bonds on the terms and conditions the commissioner  
29 determines to be in the best interests of the state. The bonds  
30 may be sold at public or private sale. The commissioner may  
31 enter any agreements or pledges the commissioner determines  
32 necessary or useful to sell the bonds that are not inconsistent  
33 with sections 403.21 to 403.40. Sections 16A.672 to 16A.675  
34 apply to the bonds. The proceeds of the bonds issued under this  
35 section must be credited to a special 911 revenue bond proceeds  
36 account in the state treasury.

1       (b) Before the proceeds are received in the 911 revenue  
2 bond proceeds account, the commissioner of finance may transfer  
3 to the account from the 911 emergency telecommunications service  
4 account amounts not exceeding the expected proceeds from the  
5 next bond sale. The commissioner of finance shall return these  
6 amounts to the 911 emergency telecommunications service account  
7 by transferring proceeds when received. The amounts of these  
8 transfers are appropriated from the 911 emergency  
9 telecommunications service account and from the 911 revenue bond  
10 proceeds account.

11       Subd. 3. [REVENUE SOURCES.] The debt service on the bonds  
12 is payable only from the following sources:

13       (1) revenue credited to the 911 emergency  
14 telecommunications service account from the fee imposed and  
15 collected under section 237.491 or 403.11, subdivision 1, or  
16 from any other source; and

17       (2) other revenues pledged to the payment of the bonds.

18       Subd. 4. [REFUNDING BONDS.] The commissioner may issue  
19 bonds to refund outstanding bonds issued under subdivision 1,  
20 including the payment of any redemption premiums on the bonds  
21 and any interest accrued or to accrue to the first redemption  
22 date after delivery of the refunding bonds. The proceeds of the  
23 refunding bonds may, in the discretion of the commissioner, be  
24 applied to the purchases or payment at maturity of the bonds to  
25 be refunded, or the redemption of the outstanding bonds on the  
26 first redemption date after delivery of the refunding bonds and  
27 may, until so used, be placed in escrow to be applied to the  
28 purchase, retirement, or redemption. Refunding bonds issued  
29 under this subdivision must be issued and secured in the manner  
30 provided by the commissioner.

31       Subd. 5. [NOT A GENERAL OR MORAL OBLIGATION.] Bonds issued  
32 under this section are not public debt, and the full faith,  
33 credit, and taxing powers of the state are not pledged for their  
34 payment. The bonds may not be paid, directly in whole or in  
35 part from a tax of statewide application on any class of  
36 property, income, transaction, or privilege. Payment of the

1 access-service,-including-trunk-equivalents-as-designated-by-the  
 2 Public-Utilities-Commission-for-access-charge-purposes-and  
 3 including-cellular-and-other-nonwire-access-services,-in-the  
 4 fiscal-year---Beginning-July-1,-2004,-this-amount-will-increase  
 5 to-13-cents-a-month.

6 Sec. 20. [APPROPRIATIONS; 911 SPECIAL REVENUE ACCOUNT.]

7 The sums set forth in this section are appropriated from  
 8 the 911 emergency telecommunications service account in the  
 9 special revenue fund to the commissioner of public safety for  
 10 the purposes indicated in this section, to be available for the  
 11 fiscal year ending June 30 in the years indicated.

|                                      | <u>2006</u>        | <u>2007</u>        |
|--------------------------------------|--------------------|--------------------|
| 13 <u>(a) Prior Year Obligations</u> | <u>\$3,442,000</u> | <u>\$3,064,000</u> |

14 To fund a deficiency due to prior year  
 15 obligations under Minnesota Statutes,  
 16 section 403.11, that were estimated in  
 17 the December 2004 911 fund statement to  
 18 be \$6,504,700 on July 1, 2005. "Prior  
 19 year obligations" means reimbursable  
 20 costs under Minnesota Statutes, section  
 21 403.11, subdivision 1, incurred under  
 22 the terms and conditions of a contract  
 23 with the state for a fiscal year  
 24 preceding fiscal year 2004, that have  
 25 been certified in a timely manner in  
 26 accordance with Minnesota Statutes,  
 27 section 403.11, subdivision 3a, and  
 28 that are not barred by statute of  
 29 limitation or other defense. The  
 30 appropriations needed for this purpose  
 31 are estimated to be none in fiscal year  
 32 2008 and thereafter.

|  |                   |                   |
|--|-------------------|-------------------|
| 33 <u>(b) Public Safety Answering Points</u> | <u>13,640,000</u> | <u>13,664,000</u> |
|--|-------------------|-------------------|

34 To be distributed as provided in  
 35 Minnesota Statutes, section 403.113,  
 36 subdivision 2.

37 This appropriation may only be used for  
 38 public safety answering points that  
 39 have implemented phase two wireless  
 40 enhanced 911 service or whose  
 41 governmental agency has made a binding  
 42 commitment to the commissioner of  
 43 public safety to implement phase two  
 44 wireless enhanced 911 service by  
 45 January 1, 2008. If revenue to the  
 46 account is insufficient to support all  
 47 appropriations from the account for a  
 48 fiscal year, this appropriation takes  
 49 priority over other appropriations,  
 50 except the open appropriation in  
 51 Minnesota Statutes, section 403.30,  
 52 subdivision 1, for debt service on  
 53 bonds previously sold.

54 (c) Medical Resource

1 Communication Centers 682,000 683,000  
 2 For grants to the Minnesota Emergency  
 3 Medical Services Regulatory Board for  
 4 the Metro East and Metro West Medical  
 5 Resource Communication Centers that  
 6 were in operation before January 1,  
 7 2000.

8 (d) Debt Service and  
 9 Capital Improvements 6,138,000 6,149,000  
 10 To pay debt service on revenue bonds  
 11 issued under new Minnesota Statutes,  
 12 section 403.275. Any portion of this  
 13 appropriation not needed to pay debt  
 14 service in a fiscal year may be used to  
 15 pay cash for any of the capital  
 16 improvements for which bond proceeds  
 17 have been appropriated in section 21.

18 Sec. 21. [APPROPRIATIONS; BOND PROCEEDS.]

19 Subdivision 1. [APPROPRIATIONS.] The sums set forth in  
 20 this subdivision are appropriated from the 911 revenue bond  
 21 proceeds account to the commissioner of public safety for the  
 22 purposes indicated, to be available until the project is  
 23 completed or abandoned, subject to Minnesota Statutes, section  
 24 16A.642.

25 (a) Phase 2 Subsystems \$8,000,000  
 26 For a grant to the Metropolitan  
 27 Emergency Services Board to pay up to  
 28 50 percent of the cost to a local  
 29 government unit of building a subsystem  
 30 as part of the second phase of the  
 31 public safety radio and communication  
 32 system plan under Minnesota Statutes,  
 33 section 403.36.

34 (b) Phase 3 System Backbone 45,000,000  
 35 For the Statewide Radio Board to  
 36 construct the system backbone in the  
 37 third phase of the public safety radio  
 38 and communication system plan under  
 39 Minnesota Statutes, section 403.36.

40 (c) Phase 3 Subsystems 9,500,000  
 41 To reimburse local units of government  
 42 for up to 50 percent of the cost of  
 43 building a subsystem of the public  
 44 safety radio and communication system  
 45 established under Minnesota Statutes,  
 46 section 403.36, in the southeast or  
 47 central district of the State Patrol.

48 Subd. 2. [BOND SALE AUTHORIZATION.] To provide the money  
 49 appropriated in this section, the commissioner of finance shall  
 50 sell and issue bonds of the state in an amount up to \$62,500,000  
 51 in the manner, upon the terms, and with the effect prescribed by

1 Minnesota Statutes, section 403.275.

2 Sec. 22. [REPEALER.]

3 Minnesota Statutes 2004, section 403.30, subdivision 3, is  
4 repealed.

5 Sec. 23. [EFFECTIVE DATE.]

6 This act is effective the day following final enactment and  
7 apply to contracts entered into on or after that date."

8 Delete the title and insert:

9 "A bill for an act relating to public safety; providing for  
10 a single per telephone number fee for certain telecommunications  
11 programs; providing for regulation of packet-based  
12 telecommunications systems that provide 911 emergency  
13 telecommunications services; updating the statutory description  
14 of the 911 system; increasing 911 emergency telecommunications  
15 service fee; imposing certain restrictions on public subsidy to  
16 telephone companies for providing 911 emergency telephone  
17 service; increasing distribution to pay costs of public safety  
18 answering points; authorizing sale of state revenue bonds to  
19 implement phases two and three of the 800-MHz public safety  
20 radio system; appropriating money; amending Minnesota Statutes  
21 2004, sections 237.70, subdivision 7; 403.02, subdivisions 7,  
22 13, 17, by adding a subdivision; 403.025, subdivisions 3, 7;  
23 403.05, subdivisions 1, 3; 403.08, subdivision 10; 403.11,  
24 subdivisions 1, 3, 3a; 403.113, subdivision 1; 403.27,  
25 subdivisions 1, 3; 403.30, subdivision 1; proposing coding for  
26 new law in Minnesota Statutes, chapters 237; 403; repealing  
27 Minnesota Statutes 2004, section 403.30, subdivision 3."



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and Fiscal Analysis**

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# Senate

State of Minnesota

## **S.F. No. 1020 -Increasing Surcharge on Recording and Registration Fees**

**Author:** Senator Jane Ranum

**Prepared by:** Chris Turner, Senate Research (651/296-4350) CT

**Date:** April 11, 2005

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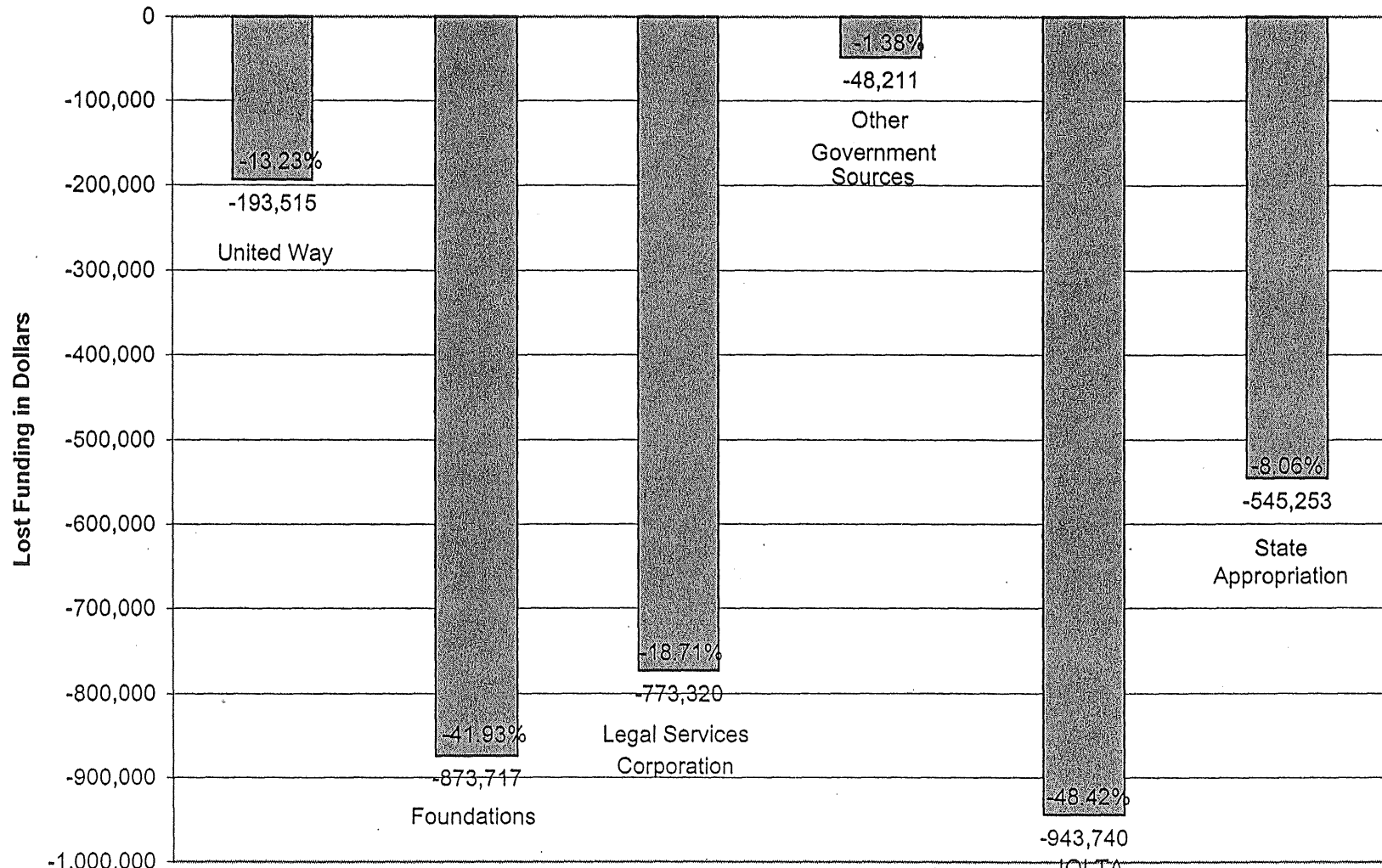
**Section 1** increases from \$4.50 to \$8.50 the surcharge on recording transaction fees collected by county recorders (Minnesota Statutes, section 357.18, subdivision 3).

**Sections 2 and 3** increase from \$4.50 to \$8.50 the surcharge on registrars' fees collected by county registrars (Minnesota Statutes, sections 508.82, subdivision 1, and 508A.82, subdivision 1).

**Section 4** is a blank appropriation to the Chief Justice of the Supreme Court for the provision of civil legal services.

CT:vs

## Major Actual and Projected Minnesota Legal Aid Funding Losses 2002 - 2006



Total dollar losses reflected above = \$3,377,756

Loss of service capacity due to cost increases = \$2,878,355

**Total impact of losses and cost increases = \$6,256,111**

## WHOM DOES LEGAL AID HELP?

Legal aid staff and volunteer attorneys use the legal framework and process to:

- ☞ **Help battered persons and their children** obtain and maintain legal safety from their abusers in Order For Protection and custody hearings
- ☞ **Prevent families from becoming homeless** by challenging unwarranted evictions
- ☞ **Ensure that families have safe housing** that includes working heat, water and electricity
- ☞ **Help distressed family farmers** in foreclosure through mediation and negotiation to remain in farming
- ☞ **Help families make the transition from welfare to work** by ensuring they receive the child and medical care and training and education for which they are eligible
- ☞ **Help children and adults with disabilities**, such as traumatic brain injury, receive the federal benefits for which they are eligible through administrative law hearings
- ☞ **Help families who fall victim to predatory lenders** to keep their homes
- ☞ **Help immigrant families** become citizens and overcome barriers to full participation in our society
- ☞ **Help grandparents** trying to raise their grandchildren receive necessary legal support
- ☞ **Protect the best interests of children** and help families through crisis situations by representation in complex custody negotiations and trials
- ☞ **Help single dads** who want to become more involved with their children by advising them on paternity and family law and working out visitation matters
- ☞ **Help families receive court-ordered child support** so that they do not have to fall back on public assistance
- ☞ **Educate people about their rights and responsibilities**, empowering them to help themselves by preventing legal problems or solving them without intervention by an attorney
- ☞ **Help children struggling in school** to remain in school and to receive the assistance and services they need to become successful
- ☞ **Help teens who are abused or neglected** by representing them in the juvenile courts
- ☞ **Help vulnerable adults** with powers of attorney, conservatorships, and guardianships
- ☞ **Educate low wage workers** regarding their rights to deductions and credits under the tax laws

# LawHelpMN.org

*Helping Low-Income Minnesotans Solve Civil Legal Problems*

LawHelpMN.org is a free web site with legal information for low-income people in Minnesota. The topics covered are civil problems, including Family and Juvenile, Housing, Health, Public Benefits, Disability, Education, Seniors, Immigration, Work, Consumer, Taxes, and more.

With LawHelpMN.org the Minnesota justice community can reach many more low-income people with legal problems than is possible through provision of direct legal services.

Information is presented in five separate tabs: Legal Questions, Self-Help Forms, Get Legal Help, MN Court Info and Community Organizations. Visitors to the site can

- Get answers to legal questions written in plain language. Some resources are provided in other languages, including Spanish, Hmong, Somali, Oromo, Russian, Arabic, and many others.
- Get self-help forms.
- Find a legal aid or pro bono program in their area which addresses their specific legal need.
- Find basic information about the courthouse in their area and links to the court's website, if available.
- Find links to non-legal community organizations that can help them.

Each main topic divides into subtopics. Housing has 15 subtopics, including Eviction, Public Housing, Housing Discrimination and Sexual Harassment, and others. The Family and Juvenile topic has 19 subtopics, including Divorce, Domestic Violence, Adoption, Custody, and more.

# ProJusticeMN.org

*Minnesota's Legal Community Serving the Public Good*

ProJusticeMN.org is Minnesota's online poverty law resource for anyone advising low-income or disadvantaged clients – volunteer or judicare attorneys, legal services advocates, law students or faculty.

In the Civil Law Practice Area advocates can find pro bono opportunities, a calendar of upcoming trainings, and a library of key poverty law resources, including sample forms, pleadings, manuals, links to statutes and regulations, and other helpful links. Resources are organized into poverty law topic folders, including Consumer Law, Disability Law, Economic Assistance Law, Housing Law, Family Law, Elder Law, Social Security/SSI, and more.

- Pro bono attorneys taking on a case in an area new to them can find helpful guides and forms to make the pro bono work easier and more efficient. E.g., the site has an extensive eviction defense manual and forms to assist with eviction cases.
- Pro bono programs can use the site to help with case placement. E.g., the Minnesota Advocates for Human Rights, co-hosts of the Asylum Practice Area on the site, is able to avoid phone calls to place cases in need of a pro bono attorney - they post the case information online and volunteers respond.
- Legal services programs can share sample pleadings, forms and other useful poverty law resources. Sharing through this site saves valuable time and resources.

LawHelpMN.org and ProJusticeMN.org were developed by the Minnesota Legal Services Coalition (MLSC) and the Minnesota State Bar Association (MSBA), in partnership with Pro Bono Net, and with support from MLSC, Minnesota State Bar Foundation, Minnesota Justice Foundation, Legal Services Corporation, Bush Foundation, Lawyer Trust Account Board, Legal Services Advisory Committee and Dorsey & Whitney. Minnesota Advocates for Human Rights co-hosts the Asylum Practice Area, a national Practice Area on ProJusticeMN.org and ProBono.Net.

**Consolidated Fiscal Note – 2005-06 Session**

**Bill #:** S1020-0 **Complete Date:** 03/01/05

**Chief Author:** RANUM, JANE

**Title:** REAL EST REC FEE INCR;LEGAL SVCS APP

| Fiscal Impact             | Yes | No |
|---------------------------|-----|----|
| State                     | X   |    |
| Local                     |     | X  |
| Fee/Departmental Earnings |     | X  |
| Tax Revenue               |     | X  |

**Agencies:** Supreme Court (03/01/05)

Finance Dept (02/25/05)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands)                         | FY05 | FY06    | FY07    | FY08    | FY09    |
|--|------|---------|---------|---------|---------|
| <b>Net Expenditures</b>                        |      |         |         |         |         |
| -- No Impact --                                |      |         |         |         |         |
| <b>Revenues</b>                                |      |         |         |         |         |
| General Fund                                   |      | 5,877   | 5,923   | 5,790   | 5,754   |
| Finance Dept                                   |      | 5,877   | 5,923   | 5,790   | 5,754   |
| <b>Net Cost &lt;Savings&gt;</b>                |      |         |         |         |         |
| General Fund                                   |      | (5,877) | (5,923) | (5,790) | (5,754) |
| Finance Dept                                   |      | (5,877) | (5,923) | (5,790) | (5,754) |
| <b>Total Cost &lt;Savings&gt; to the State</b> |      | (5,877) | (5,923) | (5,790) | (5,754) |

|                              | FY05 | FY06 | FY07 | FY08 | FY09 |
|------------------------------|------|------|------|------|------|
| <b>Full Time Equivalents</b> |      |      |      |      |      |
| -- No Impact --              |      |      |      |      |      |
| <b>Total FTE</b>             |      |      |      |      |      |

**Consolidated EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING

Date: 03/01/05 Phone: 296-7964

**Fiscal Note – 2005-06 Session**

**Bill #:** S1020-0 **Complete Date:** 03/01/05

**Chief Author:** RANUM, JANE

**Title:** REAL EST REC FEE INCR;LEGAL SVCS APP

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     | X          |           |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agency Name:** Supreme Court

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands)                         | FY05 | FY06 | FY07 | FY08 | FY09 |
|--|------|------|------|------|------|
| <b>Expenditures</b>                            |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Less Agency Can Absorb</b>                  |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Net Expenditures</b>                        |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Revenues</b>                                |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Net Cost &lt;Savings&gt;</b>                |      |      |      |      |      |
| -- No Impact --                                |      |      |      |      |      |
| <b>Total Cost &lt;Savings&gt; to the State</b> |      |      |      |      |      |

|                              | FY05 | FY06 | FY07 | FY08 | FY09 |
|------------------------------|------|------|------|------|------|
| <b>Full Time Equivalents</b> |      |      |      |      |      |
| -- No Impact --              |      |      |      |      |      |
| <b>Total FTE</b>             |      |      |      |      |      |

**Bill Description**

The bill would increase the surcharge on recording and registration transactions by \$4 and credits the additional revenue to the general fund. The bill contains an unspecified appropriation for FY06 and FY07 to the Supreme Court for civil legal services under M.S. 480.24 to 480.244

**Technical Consideration:** The appropriation language should specify the Supreme Court as the disbursing agency and delete the reference to the chief justice in order to comply with the referenced statutes.

**Assumptions**

**Expenditure and/or Revenue Formula**

A request for funding for civil legal services in the amount of \$3.5 million per year for FY06 and FY07 was submitted with the Judicial Branch budget to the Legislature. The funding will be used to address critical legal needs in the areas of family law, child support enforcement, housing, federal government benefits, etc for persons who meet the statutory eligibility criteria. All of the grant funding provided will be distributed according to the statutory distribution formula.

**Long-Term Fiscal Considerations**

**Local Government Costs**

**References/Sources**

FN Coord Signature: JUDY REHAK  
Date: 02/28/05 Phone: 297-7800

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING  
Date: 03/01/05 Phone: 296-7964

**Fiscal Note – 2005-06 Session**

**Bill #:** S1020-0 **Complete Date:** 02/25/05

**Chief Author:** RANUM, JANE

**Title:** REAL EST REC FEE INCR;LEGAL SVCS APP

| <b>Fiscal Impact</b>      | <b>Yes</b> | <b>No</b> |
|---------------------------|------------|-----------|
| State                     | X          |           |
| Local                     |            | X         |
| Fee/Departmental Earnings |            | X         |
| Tax Revenue               |            | X         |

**Agency Name:** Finance Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

| Dollars (in thousands)                         | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Expenditures</b>                            |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Less Agency Can Absorb</b>                  |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Net Expenditures</b>                        |             |             |             |             |             |
| -- No Impact --                                |             |             |             |             |             |
| <b>Revenues</b>                                |             |             |             |             |             |
| General Fund                                   |             | 5,877       | 5,923       | 5,790       | 5,754       |
| <b>Net Cost &lt;Savings&gt;</b>                |             |             |             |             |             |
| General Fund                                   |             | (5,877)     | (5,923)     | (5,790)     | (5,754)     |
| <b>Total Cost &lt;Savings&gt; to the State</b> |             | (5,877)     | (5,923)     | (5,790)     | (5,754)     |

|                             | <b>FY05</b> | <b>FY06</b> | <b>FY07</b> | <b>FY08</b> | <b>FY09</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Full Time Equivalent</b> |             |             |             |             |             |
| -- No Impact --             |             |             |             |             |             |
| <b>Total FTE</b>            |             |             |             |             |             |



**Bill Description**

This bill increases a surcharge collected by counties on certain recording and registration transactions paid to the state treasury and credited to the general fund. It also contains unspecified appropriations for civil legal services. The bill is effective July 1, 2005.

**Assumptions**

The existing \$4.50 surcharge, \$0.50 of which is retained by the county for administrative costs and \$4.00 which is paid to the state treasury and credited to the general fund, is increased to \$8.50. This increase doubles the \$4.00 general fund surcharge to \$8.00 per recording and registration transaction. The \$0.50 for county administrative costs remains unchanged.

**Expenditure and/or Revenue Formula**

The surcharge this bill increases applies primarily to real estate transactions. The number of real estate transactions each year is highly volatile due to changes in the real estate market and interest rates, which affect the number of property sales, sales of mortgages, refinancing transactions, and home equity loans. Current law surcharges are forecast based on these factors. This fiscal note assumes a doubling of the current forecast for the \$4.00 portion of the surcharge that is deposited in the general fund. Additional revenues projected for FY 06 are adjusted to reflect a one-month lag due to the timing of deposit of the proceeds with the state.

Current surcharge (\$4 portion retained by the state):

|          |                         |
|----------|-------------------------|
| FY 2001: | \$4,954,000             |
| FY 2002: | \$7,479,000             |
| FY 2003: | \$8,354,000             |
| FY 2004: | \$10,015,000            |
| FY 2005: | \$7,466,000 (projected) |
| FY 2006: | \$6,411,000 (projected) |
| FY 2007: | \$5,923,000 (projected) |
| FY 2008: | \$5,790,000 (projected) |
| FY 2009: | \$5,754,000 (projected) |

**Long-Term Fiscal Considerations**

**Local Government Costs**

None.

**References/Sources**

Economic Analysis Unit

FN Coord Signature: PETER SAUSEN  
Date: 02/25/05 Phone: 296-8372

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KRISTI SCHROEDL  
Date: 02/25/05 Phone: 215-0595

**Senators Ranum, Cohen, Neuville, Frederickson and Foley introduced--**  
**S.F. No. 1020:** Referred to the Committee on Finance.

1 A bill for an act

2 relating to legal services funding; increasing a  
 3 surcharge on certain recording and registration fees;  
 4 appropriating money; amending Minnesota Statutes 2004,  
 5 sections 357.18, subdivision 3; 508.82, subdivision 1;  
 6 508A.82, subdivision 1.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. Minnesota Statutes 2004, section 357.18,  
 9 subdivision 3, is amended to read:

10 Subd. 3. [SURCHARGE.] In addition to the fees imposed in  
 11 subdivision 1, a ~~\$4-50~~ \$8.50 surcharge shall be collected: on  
 12 each fee charged under subdivision 1, clauses (1) and (6), and  
 13 for each abstract certificate under subdivision 1, clause (4).  
 14 Fifty cents of each surcharge shall be retained by the county to  
 15 cover its administrative costs and ~~\$4~~ \$8 shall be paid to the  
 16 state treasury and credited to the general fund.

17 [EFFECTIVE DATE.] This section is effective July 1, 2005.

18 Sec. 2. Minnesota Statutes 2004, section 508.82,  
 19 subdivision 1, is amended to read:

20 Subdivision 1. [STANDARD DOCUMENTS.] The fees to be paid  
 21 to the registrar shall be as follows:

22 (1) of the fees provided herein, five percent of the fees  
 23 collected under clauses (3), (5), (11), (13), (14), (16), and  
 24 (17), for filing or memorializing shall be paid to the  
 25 commissioner of finance and credited to the general fund; plus a  
 26 ~~\$4-50~~ \$8.50 surcharge shall be charged and collected in addition

1 to the total fees charged for each transaction under clauses  
2 (2), (3), (5), (11), (13), (14), (16), and (17), with 50 cents  
3 of this surcharge to be retained by the county to cover its  
4 administrative costs, and ~~\$4~~ \$8 to be paid to the state treasury  
5 and credited to the general fund;

6 (2) for registering a first certificate of title, including  
7 issuing a copy of it, \$30;

8 (3) for registering each instrument transferring the fee  
9 simple title for which a new certificate of title is issued and  
10 for the registration of the new certificate of title, including  
11 a copy of it, \$30;

12 (4) for issuance of a CECT pursuant to section 508.351,  
13 \$15;

14 (5) for the entry of each memorial on a certificate, \$15;

15 (6) for issuing each residue certificate, \$20;

16 (7) for exchange certificates, \$10 for each certificate  
17 canceled and \$10 for each new certificate issued;

18 (8) for each certificate showing condition of the register,  
19 \$10;

20 (9) for any certified copy of any instrument or writing on  
21 file in the registrar's office, the same fees allowed by law to  
22 county recorders for like services;

23 (10) for a noncertified copy of any certificate of title,  
24 other than the copies issued under clauses (2) and (3), any  
25 instrument or writing on file in the office of the registrar of  
26 titles, or any specified page or part of it, an amount as  
27 determined by the county board for each page or fraction of a  
28 page specified. If computer or microfilm printers are used to  
29 reproduce the instrument or writing, a like amount per image;

30 (11) for filing two copies of any plat in the office of the  
31 registrar, \$30;

32 (12) for any other service under this chapter, such fee as  
33 the court shall determine;

34 (13) for filing an amendment to a declaration in accordance  
35 with chapter 515, \$10 for each certificate upon which the  
36 document is registered and \$30 for an amended floor plan filed

1 in accordance with chapter 515;

2 (14) for filing an amendment to a common interest community  
3 declaration and plat or amendment complying with section  
4 515B.2-110, subsection (c), \$10 for each certificate upon which  
5 the document is registered and \$30 for the filing of the  
6 condominium or common interest community plat or amendment;

7 (15) for a copy of a condominium floor plan filed in  
8 accordance with chapter 515, or a copy of a common interest  
9 community plat complying with section 515B.2-110, subsection  
10 (c), the fee shall be \$1 for each page of the floor plan or  
11 common interest community plat with a minimum fee of \$10;

12 (16) for the filing of a certified copy of a plat of the  
13 survey pursuant to section 508.23 or 508.671, \$10;

14 (17) for filing a registered land survey in triplicate in  
15 accordance with section 508.47, subdivision 4, \$30; and

16 (18) for furnishing a certified copy of a registered land  
17 survey in accordance with section 508.47, subdivision 4, \$10.

18 [EFFECTIVE DATE.] This section is effective July 1, 2005.

19 Sec. 3. Minnesota Statutes 2004, section 508A.82,  
20 subdivision 1, is amended to read:

21 Subdivision 1. [STANDARD DOCUMENTS.] The fees to be paid  
22 to the registrar shall be as follows:

23 (1) of the fees provided herein, five percent of the fees  
24 collected under clauses (3), (5), (11), (13), (14), and (17),  
25 for filing or memorializing shall be paid to the commissioner of  
26 finance and credited to the general fund; plus a ~~\$4-50~~ \$8.50  
27 surcharge shall be charged and collected in addition to the  
28 total fees charged for each transaction under clauses (2), (3),  
29 (5), (11), (13), (14), and (17), with 50 cents of this surcharge  
30 to be retained by the county to cover its administrative costs,  
31 and ~~\$4~~ \$8 to be paid to the state treasury and credited to the  
32 general fund;

33 (2) for registering a first CPT, including issuing a copy  
34 of it, \$30;

35 (3) for registering each instrument transferring the fee  
36 simple title for which a new CPT is issued and for the

- 1 registration of the new CPT, including a copy of it, \$30;
- 2 (4) for issuance of a CECT pursuant to section 508A.351,
- 3 \$15;
- 4 (5) for the entry of each memorial on a CPT, \$15;
- 5 (6) for issuing each residue CPT, \$20;
- 6 (7) for exchange CPTs or combined certificates of title,
- 7 \$10 for each CPT and certificate of title canceled and \$10 for
- 8 each new CPT or combined certificate of title issued;
- 9 (8) for each CPT showing condition of the register, \$10;
- 10 (9) for any certified copy of any instrument or writing on
- 11 file in the registrar's office, the same fees allowed by law to
- 12 county recorders for like services;
- 13 (10) for a noncertified copy of any CPT, other than the
- 14 copies issued under clauses (2) and (3), any instrument or
- 15 writing on file in the office of the registrar of titles, or any
- 16 specified page or part of it, an amount as determined by the
- 17 county board for each page or fraction of a page specified. If
- 18 computer or microfilm printers are used to reproduce the
- 19 instrument or writing, a like amount per image;
- 20 (11) for filing two copies of any plat in the office of the
- 21 registrar, \$30;
- 22 (12) for any other service under sections 508A.01 to
- 23 508A.85, the fee the court shall determine;
- 24 (13) for filing an amendment to a declaration in accordance
- 25 with chapter 515, \$10 for each certificate upon which the
- 26 document is registered and \$30 for an amended floor plan filed
- 27 in accordance with chapter 515;
- 28 (14) for filing an amendment to a common interest community
- 29 declaration and plat or amendment complying with section
- 30 515B.2-110, subsection (c), and issuing a CECT if required, \$10
- 31 for each certificate upon which the document is registered and
- 32 \$30 for the filing of the condominium or common interest
- 33 community plat or amendment;
- 34 (15) for a copy of a condominium floor plan filed in
- 35 accordance with chapter 515, or a copy of a common interest
- 36 community plat complying with section 515B.2-110, subsection

1 (c), the fee shall be \$1 for each page of the floor plan, or  
2 common interest community plat with a minimum fee of \$10;

3 (16) in counties in which the compensation of the examiner  
4 of titles is paid in the same manner as the compensation of  
5 other county employees, for each parcel of land contained in the  
6 application for a CPT, as the number of parcels is determined by  
7 the examiner, a fee which is reasonable and which reflects the  
8 actual cost to the county, established by the board of county  
9 commissioners of the county in which the land is located;

10 (17) for filing a registered land survey in triplicate in  
11 accordance with section 508A.47, subdivision 4, \$30; and

12 (18) for furnishing a certified copy of a registered land  
13 survey in accordance with section 508A.47, subdivision 4, \$10.

14 [EFFECTIVE DATE.] This section is effective July 1, 2005.

15 Sec. 4. [APPROPRIATION.]

16 \$. . . . . is appropriated for the fiscal year ending June  
17 30, 2006, and \$. . . . . is appropriated for the fiscal year  
18 ending June 30, 2007, from the general fund to the chief justice  
19 of the Supreme Court for legal services under Minnesota  
20 Statutes, sections 480.24 to 480.244.

1 Senator ..... moves to amend S.F. No. 1020 as follows:  
2 Page 5, lines 18 and 19, delete "chief justice of the"

**Senate Counsel, Research,  
and Fiscal Analysis**

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**Senate**  
State of Minnesota

**S.F. No. 2160 - Claims Bill**

**Author:** Senator Wes Skoglund

**Prepared by:** Chris Turner, Senate Research (651/296-4350) *CT*

**Date:** April 11, 2005

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**Section 1** appropriates \$5,359 to the Commissioner of Corrections for the following claims:

- \$4,938 for claims made against the Department of Corrections under Minnesota Statutes, section 3.739; and
- \$421 for reimbursement for property damaged by an inmate.

**Section 2** increases the amount of allowable reimbursement for property damaged by an inmate from \$250 to \$500.

CT:vs





1 or runaway patients occurring while making their escape. The  
2 departments must verify the reasonableness of the amounts  
3 claimed. Upon the approval of the commissioner of human  
4 services or the commissioner of corrections as to the  
5 institutions under their respective control, the superintendent  
6 or chief executive officer of an institution may pay out of the  
7 current expense appropriation of the institution to an employee  
8 of the institution the amount of any property damage sustained  
9 by the employee, not in excess of ~~\$250~~ \$500, because of action  
10 of a patient or inmate of the institution.

**Senate Counsel, Research,  
and Fiscal Analysis**

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**Senate**  
State of Minnesota

**S.F. No. 1858 - Local Correctional Fees**

**Author:** Senator Wes Skoglund

**Prepared by:** Chris Turner, Senate Research (651/296-4350) CT

**Date:** April 11, 2005

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This bill amends the provision in current law that authorizes a local jail to collect local correctional fees only from convicted offenders. The bill authorizes facilities to charge fees to persons who are under the control and supervision of the facility. "Local correctional fees" include fees for the following correctional services:

- (1) community service work placement and supervision;
- (2) restriction collection;
- (3) supervision;
- (4) court-ordered investigations;
- (5) any other court-ordered service;
- (6) post-prison supervision or other form of release; or
- (7) supervision or other services provided to probationers or parolees.

CT:vs

**Senators Skoglund and Neuville introduced--****S.F. No. 1858: Referred to the Committee on Finance.**

1                                   A bill for an act

2           relating to corrections; providing for local

3           correctional fees; amending Minnesota Statutes 2004,

4           section 244.18, subdivision 2.

5   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6           Section 1. Minnesota Statutes 2004, section 244.18,

7           subdivision 2, is amended to read:

8           Subd. 2. [LOCAL CORRECTIONAL FEES.] A local correctional

9           agency may establish a schedule of local correctional fees to

10          charge persons ~~convicted-of-a-crime-and~~ under the supervision

11          and control of the local correctional agency to defray costs

12          associated with correctional services. The local correctional

13          fees on the schedule must be reasonably related to defendants'

14          abilities to pay and the actual cost of correctional services.