

HOUSE RESEARCH

Bill Summary

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Authors: Knoblach and others

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Analyst: Jeff Diebel

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Section

- 1 **Sales tax exemption.** Repeals the August 1, 2005 sunset of the sales tax exemption within the metropolitan area for public safety radio communications system products and services and expands the exemption to include purchases in the following counties and state patrol districts:
 - all counties in the eastern and western metro districts (adds Chisago and Isanti counties);
 - Benton, Sherburne, Stearns, and Wright counties in the central district; and
 - all counties in the southeast district.
- 2 **Definition of "subsystems."** Redefines "public safety radio subsystems" to include systems identified in the statewide shared radio and communication system project plan developed by the public safety radio system planning committee. Under current law the term includes only those systems identified in the Metropolitan Radio Board's regionwide plan.
- 3 **Authorization; third phase (state revenue bonds).** Authorizes the commissioner of finance to issue revenue bonds on request by a two-thirds vote of the Statewide Radio Board, to:
 - provide funds for certain qualifying components of phase three of the statewide public safety radio communication system in the State Patrol's southeast district and the counties of Benton, Sherburne, Stearns, and Wright;

Section

- provide funds for the third phase of the public safety radio communication system within the State Patrol's southeast district and the counties of Benton, Sherburne, Stearns, and Wright; and
- refund bonds issued under this section.

4 **Limitations.** Specifies that money from revenue bonds issued by the Metropolitan Council to pay for local subsystems of the radio systems may only be spent for subsystems identified in the Metropolitan Radio Board's regionwide public safety radio system communication plan.

Allows the commissioner of finance to issue \$9,500,000 in revenue bonds and appropriates the proceeds to the Department of Public Safety for the purposes of section 0. Specifies that the money may not be used to pay for portable or subscriber radio sets.

5 **Security (Metropolitan Council bonds).** Technical. Specifies that current law addressing security for bonds only applies to the bonds issued by the Metropolitan Council, and not those issued by the state under the new subdivision 1a (section 4). Section 6 addresses the security requirements for the bonds issued under subdivision 1a.

6 **Security (state bonds).** Specifies that the revenue bonds issued by the state are payable only from the emergency telephone service fee and are not general obligations bonds.

7 **Appropriation transfers.** Requires the commissioner of public safety to transfer to the commissioner of finance sufficient funds from the 911 surcharge to meet the debt service costs and reserves for bonds issued under both sections 402.27, subdivision 1, and 402.27, subdivision 1a.

8 **Refund; appropriation.** Requires a sales tax refund on purchases made after November 30, 2003, which are exempt under section 1. Provides procedures for obtaining the refund. Requires that requests for refunds be submitted by January 1, 2006. Appropriates funds from the general fund to cover the cost of the refunds.

9 **Effective date.** Section 1 is effective retroactive to sales and purchases made after November 30, 2003. The remainder of the bill is effective immediately.