

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2067

2001 SENATE FINANCE AND TAXATION

SB 2067

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2067

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/24/01

Tape Number	Side A	Side B	Meter #
1	x		8.9-end
		x	0-10.9
Committee Clerk Signature <i>Spence H. Kraft</i>			

Minutes:

Senator Urlacher: Called the hearing on SB 2067, relating to an excise tax on telephone exchange access service and application of that tax to wireless service for support of wireless enhanced 911 service.

Senator Karen Krebsbach: Co-sponsored the bill, testified in support. Written testimony attached.

Terry Traynor: ND Assoc. of Counties, testified in support. Written testimony attached.

Gary Kostelecky: Stark & Dunn County 911 Coordinator & past President of ND 911 Assoc., testified support. Written testimony attached.

Curtis Pellett: Wells County Sheriff, testified in support. Written testimony attached.

Fred DeBowey: Minot Police Department & Ward County 911 Coordinator, testified in support. Written testimony attached.

Page 2

Senate Finance and Taxation Committee

Bill/Resolution Number 2067

Hearing Date 1/24/01

Jim Blundell: Director of External Affairs at Western Wireless Corporation, a WA company doing business in ND under the brand name Cellular One, testified in support. Written testimony attached.

Senator Nichols: Regarding federal law, how do you determine how funds are distributed?

Jim Blundell: It sets up a presumption that's standardized across the board.

Senator Nichols: Would that be their address of residence or business?

Jim Blundell: I believe the primary resident address of customer.

Senator Nichols: Would the local districts know what phones would be assigned to them?

Jim Blundell: The county would alert the carrier that the tax is in place. The carrier determines what jurisdiction the customer is in.

Senator Urlacher: If the customer doesn't pay, is the service cut off?

Jim Blundell: There would be a state claim against the customer.

Keith Sorenson: ND EMS Assoc., testified in support. Sighted the reasons given by previous supporters.

Lois Hartman: Executive Director of ND Firefighter's Assoc., testified in support. Written testimony attached.

Other signed their names in support.

Senator Urlacher: Closed the hearing.

Discussion held meter number 44.5-48.9

Terry Traynor reappeared to answer questions.

Senator Kroepelin: Is the phone company responsible for the \$1.00 tax? There's no real teeth in collecting the tax?

Terry Traynor: Once it's in law, it's a state statutory tax. The citizen that has that service is obligated to pay.

Senator Urlacher: If it's not paid after a month or two, the company would notify the state?

Terry Traynor: I would assume so. I'm not sure.

Discussion held later. Meter number 49-end, side A & 0-10.9, side B.

Terry Traynor reappeared to answer questions.

Senator Christmann: If this is passed, there would be a new valid initiative for up to a dollar but it could be less than a dollar and this would just be on the cell phones? And if fails, the tax would continue on the wire phones?

Terry Traynor: No, the intention of this bill is that you would not have to go to a separate vote at this time. The next time it would go to the vote of the people could be 2-8 years from now. The cells phones would be covered by whatever tax exists.

Senator Urlacher: Would it stay in place until they activated it, and then they would vote on it?

Terry Traynor: That's correct. Most of the ballots are written up to a dollar and the city or county commission can go below that.

Senator Christmann: If they chose to they can change it?

Terry Traynor: That's correct.

Senator Wardner: What is the common rate?

Terry Traynor: Most common is a dollar.

Senator Stenehjem: I struggle with this bill last session and I struggle with it now. I could support this if the people could vote on it before it's put on the phones, and the people had the ability to get out of their contracts.

Senator Wardner: If the political sub voted to form a 911 PSAP, do they go for so many years?

Terry Traynor: Yes. Once the governing body goes to the people, the statute requires that permission of the governing body to review that decision in 6 years, and to go to the vote of the people in 12 years.

Senator Kroepelin: If you had two phones on the same contract, would you be paying on the one contract or each phone?

Terry Traynor: If the phones had separate numbers, there would be two charges.

Senator Nichols: What percent of 911 calls come in from cell phones?

Terry Traynor: 35-50%. The percentage is growing.

Senator Wardner, Senator Stenehjem and Senator Urlacher make statements.

COMMITTEE ACTION:

Motion made by Senator Wardner for a DO PASS, Seconded by Senator Kroepelin. Vote was 5 yeas, 1 nay, and 0 absent or not voting. Bill carrier was Senator Nichols.

FISCAL NOTE

Requested by Legislative Council

04/11/2001

Bill/Resolution No.:

Amendment to: SB 2067

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

SB 2067 with House Amendments authorizes counties and cities to impose a fee on wireless service for support of wireless enhanced 911 service. The potential fiscal impact is unknown.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Department
Phone Number:	328-3402	Date Prepared:	04/11/2001

FISCAL NOTE

Requested by Legislative Council

12/21/2000

Bill/Resolution No.: SB 2067

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

SB 2067 enables counties and cities to impose an excise tax on wireless services in support of enhanced 911 services. It is not known how many localities will impose the tax, or how much revenue will potentially be raised.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	328-3402	Date Prepared:	01/04/2001

Date: 1/24/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2067

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Wardner Seconded By Kroeplin

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman	✓				
Senator Wardner-Vice Chairman	✓				
Senator Christmann	✓				
Senator Stenehjem		✓			
Senator Kroeplin	✓				
Senator Nichols	✓				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Nichols

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

REPORT OF STANDING COMMITTEE (410)
January 25, 2001 11:46 a.m.

Module No: SR-13-1600
Carrier: Nichols
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2067: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2067 was placed on the Eleventh order on the calendar.

2001 HOUSE FINANCE AND TAXATION

SB 2067

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2067

House Finance and Taxation Committee

Conference Committee

Hearing Date March 14, 2001

Tape Number	Side A	Side B	Meter #
I	X		45
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. AL CARLSON, CHAIRMAN Opened the hearing and read the fiscal note.

SEN. KAREN KREBSBACH, DIST. 40, MINOT Introduced the bill as the prime sponsor.

See written testimony.

REP. CARLSON Asked for an explanation of the difference between this bill and the one introduced last time.

SEN. KREBSBACH Stated she would prefer that the people who worked on it through the process would do that.

TERRY TRAYNOR, ASSISTANT DIRECTOR, NORTH DAKOTA ASSOCIATION OF COUNTIES Testified in support of the bill. See written testimony.

REP. GROSZ Asked whether it is part of the agreement that they have the proper technology in place, data base and things like that, to run the 9 1 1?

Page 2

House Finance and Taxation Committee

Bill/Resolution Number SB 2067

Hearing Date March 14, 2001

TERRY TRAYNOR That is also part of federal law, that in order to request that of a cellular company and enter into an agreement, they have to have the capability to actually receive and use that call back location information.

REP. GROSZ Is there a date on that federal requirement, when they have to come into compliance?

TERRY TRAYNOR There are dates that affect the wireless providers, I can't quote them exactly. There are no dates that the public safety answering points have to be in place. If they feel they have the revenue and are ready to move ahead, they make the request, then there are some dates that trigger the wireless. Once the request is made, the wireless companies have so long to respond and actually provide it. There are no obligations on the local governing agencies or safety agencies.

REP. CARLSON Where in here, does it give a definition of enhanced 9 1 1?

TERRY TRAYNOR It really only references the FCC order on page 2. There was discussion in our committee about putting the whole FCC definition there, but at some point, we decided not to. There are really two phases. Phase one of enhanced wireless 9 1 1 is the ability for the wireless company to transmit a home call back number, and which tower that is being broadcast to. Phase two, is in addition to that, they have to be able to give latitude/longitude which tells in so many feet where the call is coming from.

REP. CARLSON How many PSAP's are there today?

TERRY TRAYNOR I think there are twenty three.

REP. CARLSON This bill addresses county wide?

