

Fiscal Analysis

LOCAL USE OF RADIO TOWERS



Bill/Sponsor HOUSE BILL 4259 as introduced, Rep. John G. Pappageorge

House Committee Local Government and Urban Policy

Analysis **Summary**

House Bill 4259 would amend Public Act 152 of 1929 to require that the director of the Department of State Police allow any governmental public safety agency to utilize the Michigan Public Safety Communications System (MPSCS), including attaching public safety communications equipment to towers constructed under the act. The bill specifies that all costs associated with installing and maintaining local governmental public safety agency equipment would be the responsibility of the local governmental public safety agency requesting permission. The bill also specifies that the director could deny permission to install or attach local governmental public safety equipment to a tower, if the installation would interfere with the optimum operation of the communication system, as determined by the MPSCS Advisory Board and the Department of Management and Budget.

Fiscal Impact

This bill would have indeterminate fiscal impacts on both the state and local governments. Costs associated with constructing local public safety communications system could potentially be reduced through the use of MPSCS towers. The total amounts of any such savings for local governments, however, is indeterminate.

A legal issue has been raised regarding the possible violation of the tax-exempt status of the bonds issued to construct the MPSCS if nonsubscribers to the system were allowed to use the towers. Assuming this concern is valid, state bonding costs would increase under the bill. Insufficient information is available, however, to determine the magnitude of this impact.

Finally, it is unclear if the department would have the authority to remove local equipment in the future if the tower capacity was needed for the MPSCS and whether the state or the local government involved would bear the costs of the equipment removal.

Background Information

The total costs of constructing the MPSCS have been \$234.2 million. Of this total, \$212.7 million has been financed through bonding.

The current fees for local subscribers to the MPSCS are a \$25 activation fee per radio and a \$200 annual membership fee per radio.

Analyst(s)

Kyle I. Jen

COMMITTEE ANALYSIS - 3/17/03

Mitchell Bean, Director – House Fiscal Agency
124 N. Capitol Avenue, Lansing, MI 48909
Phone: (517)373-8080, Fax: (517)373-5874
<http://www.house.mi.gov/hfa>