



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 960 (as reported with amendment)
Sponsor: Senator Michael Switalski
Committee: Appropriations

CONTENT

The bill would amend the Emergency Telephone Service Enabling Act to implement a portion of the FY 2005-06 Leadership Agreement on the budget. That Agreement included the appropriation of \$15 million from the Commercial Mobile Radio Service (CMRS) Fund to pay a portion of the debt service obligation of the State Building Authority for bonds issued to finance the Michigan Public Safety Communications System. The bill would provide for this distribution from the Fund. The appropriation was included in the FY 2005-06 General Government appropriation bill (Public Act 146 of 2005).

Revenue in the CMRS Fund is generated from a 52-cent-per-month service charge on each CMRS connection that has a Michigan billing address. The charge was reduced on January 1, 2006, to 29 cents per month. The entire fee is scheduled to sunset on December 31, 2006. Distributions include:

State Police: The Department receives up to 1 cent of the service charge to cover costs associated with administering the Act and to operate a regional dispatch center that receives and dispatches 9-1-1 calls.

County Payments: Counties receive 25 cents to implement the wireless emergency service order and the Emergency Telephone Service Enabling Act.

Public Safety Answering Points (PSAPs): 1.5 cents of each monthly service charge is available to PSAPs for training personnel assigned to 9-1-1 centers.

Suppliers' Collection Costs: 0.5 cent of each monthly service charge is retained by CMRS suppliers to cover billing and collection costs.

Suppliers' Implementation Costs: The balance (24 cents prior to January 1, 2006) is available for CMRS suppliers for costs incurred in implementing the wireless emergency service order and Emergency Telephone Service Enabling Act.

MCL 484.1408

FISCAL IMPACT

In FY 2004-05, the 52-cent monthly service charge generated \$30.1 million. Under the bill, the \$15 million FY 2005-06 allocation for Public Safety Communications System debt service costs would come from the suppliers' portion of the CMRS Fund. Based on recent and pending payments to CMRS suppliers, the current balance in the CMRS supplier distribution category is approximately \$32.5 million. The bill would reduce the balance by \$15 million. A sufficient balance would remain to fund future payments to suppliers.

Date Completed: 2-15-06

Fiscal Analyst: Bill Bowerman