



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 4237 (Substitute S-1 as reported)
Sponsor: Representative Gail Haines
House Committee: Energy and Technology
Senate Committee: Energy and Technology

CONTENT

The bill would amend Public Act 152 of 1929, which governs the Michigan Public Safety Communications System (MPSCS), to do the following:

- Provide that the Director of the Department of Technology, Management, and Budget (DTMB), rather than the DTMB Director and the Director of the Michigan Department of State Police (MSP), would be responsible for the MPSCS.
- Transfer from the MSP to the DTMB responsibility for siting the buildings and equipment necessary to implement the MPSCS, and authorizing use of the System by other entities.
- Allow the MSP and the DTMB jointly to authorize use of the MPSCS by any public safety agency or person, rather than a governmental public safety agency as allowed currently.
- Include communications consistent with Federal rules and regulations, and collocations, among the purposes for which authorization to use the MPSCS may be granted.
- Allow collocation by a person other than a governmental entity to be authorized only for the provision of service in a service needs area (i.e., an area determined to lack adequate broadband service).
- Permit a governmental entity to collocate on the MPSCS except as otherwise provided.
- For three years after the bill's effective date, prohibit a governmental entity that was not a public safety agency from collocating on the MPSCS for any commercial or business purpose.
- Beginning three years after the bill's effective date, allow a governmental entity that was not a public safety agency to collocate on the MPSCS for a commercial or business purpose only to provide service in a service needs area.
- Provide that a collocating entity would be responsible for all costs associated with the collocation.
- Require the DTMB to use money collected from collocation leasing for the construction or maintenance of the MPSCS.
- Prohibit the DTMB from allowing access to a tower for any purpose without the supervision of a DTMB employee, and require the Department to perform an inspection following any installation of collocation equipment to ensure that the integrity of the MPSCS had not been compromised.
- Require the DTMB and the MSP jointly to deny permission to collocate if it would interfere with operation of the MPSCS.

("Collocate" would mean to place or install wireless communications equipment or network components used in the provision of wireless communications services on or in the real or personal property or towers used in the operation and maintenance of the MPSCS.)

MCL 28.281-28.283

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the Department of Technology, Management, and Budget (DTMB). The DTMB could receive additional revenue from the leasing costs paid to the DTMB by the entities that would be allowed to collocate on the State's MPSCS towers. Any revenue received by the DTMB from the leases would be used for construction or maintenance costs or for the debt service costs on the bonds used to finance the construction and maintenance of the MPSCS. The amount of additional revenue would be dependent on the number of entities that choose to lease space on the MPSCS.

Additionally, there could be staffing costs to the DTMB associated with the requirement that DTMB staff supervise any public safety agency or person who had access to an MPSCS tower. The DTMB also would be required to perform inspections following any installation of collocation equipment to ensure the integrity of the MPSCS. To the extent that additional staff would be hired to perform these duties, the State would incur the cost of wages and benefits. The average cost in 2014 for salary, wages, and benefits is an estimated \$85,000 gross (\$45,000 GF/GP) per 1.0 FTE equivalent.

Date Completed: 12-12-14

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.