

Sixty-fifth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1178

Introduced by

Representatives Porter, Heinert, Nathe, Owens

Senators D. Larson, G. Lee, Wardner

1 A BILL for an Act to create and enact a new section to chapter 37-17.3 of the North Dakota  
2 Century Code, relating to the creation of a statewide interoperable radio network fund, to amend  
3 and reenact subsection 1 of section 37-17.3-02.2, subsection 4 of section 54-59-05, section  
4 57-40.6-02 and subsection 1 of section 57-40.6-14 of the North Dakota Century Code, relating  
5 to the statewide interoperability executive committee, the powers and duties of the information  
6 technology department, the assessed communications service fee, and the prepaid wireless  
7 emergency 911 fee; to authorize borrowing authority; to provide an appropriation; to provide  
8 statements of legislative intent; to provide for a budget section report; and to provide an  
9 expiration date.

10 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

11 **SECTION 1.** A new section to chapter 37-17.3 of the North Dakota Century Code is created  
12 and enacted as follows:

13 **Statewide interoperable radio network fund.**

14 1. A fund known as the statewide interoperable radio network fund must be maintained in  
15 the state treasury. Subject to legislative approval and statewide interoperability  
16 executive committee approval, moneys in the fund must be used for providing the  
17 required state share of funding for expenses associated with the purchase, installation,  
18 operation, and maintenance of a statewide interoperable radio network. The fund  
19 consists of all moneys transferred into the fund, interest earned on moneys in the fund,  
20 payments to the fund, and other fund earnings.

21 2. The chief information officer of the information technology department may apply for  
22 and accept funds, grants, gifts, or services made available for the statewide  
23 interoperable radio network by an agency or department of the federal government or  
24 any other person. Any funds, grants, or gifts, or moneys received from services

received under this section must be deposited in the statewide interoperable radio network fund.

3. Revenue received by a political subdivision in accordance with subsection 2 of section 57-40.6-02 must be remitted to the state treasurer for deposit in the statewide interoperable radio network fund.

**SECTION 2. AMENDMENT.** Subsection 1 of section 37-17.3-02.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The statewide interoperability executive committee consists of:
  - a. The director of state radio or a designee;
  - b. The director of the division of homeland security or a designee;
  - c. The superintendent of the highway patrol or a designee;
  - d. The adjutant general or a designee;
  - e. The director of the department of transportation or a designee;
  - f. A representative of the North Dakota sheriff's and deputies association;
  - g. A representative of the North Dakota emergency managers association;
  - h. A representative of the North Dakota fire chiefs association;
  - i. A representative of the North Dakota emergency medical services association;
  - j. A representative of the North Dakota police chiefs association;
  - k. A representative of the North Dakota peace officers association;
  - l. A representative of the North Dakota 911 association; ~~and~~
  - m. The North Dakota chief information officer or a designee;
  - n. The North Dakota Indian affairs commission executive director or a designee;
  - and
  - o. One member of the North Dakota house of representatives and one member of the North Dakota senate appointed by the legislative management.

**SECTION 3. AMENDMENT.** Subsection 4 of section 54-59-05 of the North Dakota Century Code is amended and reenacted as follows:

4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. ~~An~~With the exception of agreements entered related to the statewide interoperable radio network, an agreement to finance the

1 purchase of software, equipment, or implementation services may not exceed a period  
2 of five years. The department shall submit any intended financing proposal for the  
3 purchase of software, equipment, or implementation services under this subsection,  
4 which is in excess of one million dollars, to the budget section of the legislative  
5 management or the legislative assembly before executing a financing agreement. If  
6 the budget section or the legislative assembly does not approve the execution of a  
7 financing agreement, the department may not proceed with the proposed financing  
8 arrangement. ~~The~~ With the exception of financing for the statewide interoperable radio  
9 network, the department may finance the purchase of software, equipment, or  
10 implementation services only to the extent the purchase amount does not exceed  
11 seven and one-half percent of the amount appropriated to the department during that  
12 biennium.

13 **SECTION 4. AMENDMENT.** Section 57-40.6-02 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **57-40.6-02. Authority of counties or cities to impose fee on assessed**  
16 **communications service - Procedure.**

17 The governing body of a county or city may impose a fee on all assessed communications  
18 services in accordance with the following requirements:

- 19 1. The governing body shall adopt a resolution that proposes the adoption of the fee  
20 permitted under this section. The resolution must specify an effective date for the fee  
21 which is no more than two years before the expected implementation date of the  
22 emergency services communication system to be funded by the fee. The resolution  
23 must include a provision for submitting the proposed fee to the electors of the county  
24 or city before the imposition of the fee is effective. The resolution must specify a fee  
25 that does not exceed one dollar and fifty cents per month per communication  
26 connection and must be applied equally upon all assessed communications services.  
27 Prepaid wireless service is not subject to the fee imposed under this section.
- 28 2. A political subdivision shall add a fee of fifty cents to the fee imposed on assessed  
29 communications services established under subsection 1. The additional fifty cents per  
30 communication connection must be ~~dedicated to the political subdivision obligation to~~  
31 ~~the statewide interoperability radio network and~~ remitted to the ~~governing joint powers~~

~~entity established under chapter 54-40.3 for the purpose of implementing a statewide-~~  
~~interoperability radio network~~ state treasurer for deposit in the statewide interoperable  
radio network fund in accordance with section 1 of this Act for implementing a  
statewide interoperable radio network. The funds collected under this subsection must  
be expended in a manner consistent with the recommendations of the statewide  
interoperability executive committee.

3. The question of the adoption of the fee must be submitted on a petition on which the  
petition title of the proposition includes the maximum monthly rate of the proposed fee  
authorized under subsection 1. The question of the adoption of the fee may be  
submitted to electors at a general, primary, or special election or at a school district  
election if the boundaries of the school district are coterminous with the boundaries of  
the governing body adopting the resolution proposing the adoption of the fee. The fee  
is not effective unless it is approved by a majority of the electors voting on the  
proposition. The ballot must be worded so that a "yes" vote authorizes imposition of  
the fee.

~~3.4.~~ Once established by this section, the maximum fee may be increased, decreased, or  
eliminated by a majority vote of the electors. The question may be placed on the ballot  
of any general, primary, or special election by a resolution of the governing body, or by  
a petition signed by ten percent or more of the total number of qualified electors of the  
political subdivision voting for governor at the most recent gubernatorial election and  
submitted to the governing body. By action of the governing body, the fee amount  
collected may be adjusted, subject to the maximum approved by the voters, to meet  
the costs allowed by this chapter.

4.5. In any geographic area, only one political subdivision may impose the fee and  
imposition must be based on the subscriber service address.

5.6. In the interest of public safety, where the subscriber's telephone exchange access  
service boundary and the boundary of the political subdivision imposing the fee do not  
coincide, and where all of the political subdivisions within the subscriber's telephone  
exchange access service boundary have not complied with subsection 1, and where a  
majority of the subscribers within the subscriber's telephone exchange access service  
boundary have voted for the fee, a telephone exchange access service subscriber

1           whose subscriber service address is outside the political subdivision may receive 911  
2           services by signing a contract agreement with the political subdivision providing the  
3           emergency services communication system. The telephone exchange access service  
4           provider may collect an additional fee, equal in amount to the basic fee on those  
5           subscribers within the exchange boundary. The additional fee amounts collected must  
6           be remitted as provided in this chapter.

7        ~~6-7.~~ A fee imposed under this section before August 1, 2007, on telephone exchange  
8           access service is extended to all assessed communications services and will remain in  
9           effect until changed pursuant to subsection ~~34~~.

10        **SECTION 5. AMENDMENT.** Subsection 1 of section 57-40.6-14 of the North Dakota  
11 Century Code is amended and reenacted as follows:

- 12        1. There is imposed a prepaid wireless emergency 911 fee of two and one-half percent  
13           on the gross receipts of sellers from all sales at retail of prepaid wireless services in  
14           this state.
- 15           a. A retail transaction that is made, in person, by a consumer at a business location  
16           of the seller shall be treated as occurring in this state if that business location is  
17           in this state. Any other retail transaction shall be treated as occurring in this state  
18           if the retail transaction is treated as occurring in this state under the provisions of  
19           chapter 57-39.4 as those provisions apply to a prepaid wireless calling service.
- 20           b. Prepaid wireless emergency 911 fees collected by sellers shall be remitted to the  
21           commissioner.
- 22           c. An entity required to collect and remit the prepaid wireless emergency 911 fee  
23           shall register with the commissioner. The registration shall be made in the form  
24           prescribed by the commissioner, in which the registrant shall identify the name  
25           under which the registrant transacts or intends to transact business, the location  
26           of the business, the federal identification number, and other information as the  
27           commissioner may require.
- 28           d. Gross receipts from sales at retail of prepaid wireless services are exempt from  
29           the prepaid wireless emergency 911 fee imposed by this section when the sale is  
30           made to a person entitled to a sales and use tax exemption under subsection 6  
31           or 12 of section 57-39.2-04.

1       **SECTION 6. STATEWIDE INTEROPERABLE RADIO NETWORK IMPLEMENTATION -**  
2 **FUTURE EXPENDITURES.** During the 2017-18 interim, the information technology department  
3 shall begin implementation of a statewide interoperable radio network based on findings in the  
4 North Dakota statewide interoperable network feasibility study and its recommendations as  
5 adopted by the statewide interoperability executive committee. Current and future  
6 appropriations and local government contributions for improvement or expansion of state or  
7 local public safety land mobile radio systems must be expended in a manner consistent with the  
8 recommendations of the statewide interoperability executive committee and only for solutions  
9 that are determined by the committee to be interoperable and functional with the statewide  
10 system.

11       **SECTION 7. LOAN AUTHORIZATION - APPROPRIATION - STATEWIDE**  
12 **INTEROPERABLE RADIO NETWORK - BUDGET SECTION REPORTS.** The information  
13 technology department may obtain a loan, subject to budget section approval, from the Bank of  
14 North Dakota in an amount not to exceed \$15,000,000, the sum of which is appropriated to the  
15 information technology department, for the purpose of defraying the expenses of the statewide  
16 interoperable radio network for the biennium beginning July 1, 2017, and ending June 30, 2019.  
17 The term of the loan may not exceed six years. The loan authorized in this section must be  
18 repaid from funds available in the statewide interoperable radio network fund. During the  
19 2017-18 interim, the information technology department shall provide status reports to the  
20 budget section regarding the implementation and progress of the statewide interoperable radio  
21 network.

22       **SECTION 8. LEGISLATIVE INTENT - RADIO FREQUENCIES.** By September 30, 2018, all  
23 North Dakota entities operating a public-safety answering point shall relinquish legal rights to  
24 any radio frequency required for the statewide interoperable radio network trunk system,  
25 allowing these frequencies to be utilized by the state of North Dakota for the use of this network.

26       **SECTION 9. LEGISLATIVE INTENT - STATEWIDE INTEROPERABLE RADIO NETWORK**  
27 **CONSOLIDATION.** It is the intent of the sixty-fifth legislative assembly that during the 2017-18  
28 interim, the information technology department and statewide interoperability executive  
29 committee make efforts to consolidate certain functions within the statewide interoperable radio  
30 network.

1       **SECTION 10. EXPIRATION DATE.** This Act is effective through July 31, 2023, and after  
2 that date is ineffective.