

Fiscal Analysis

LOCAL USE OF RADIO TOWERS



Bill/Sponsor

SENATE BILL 293 as passed by the Senate, Sen. Michael D. Bishop

House Committee

Local Government and Urban Policy

Analysis**Summary**

Senate Bill 293 would amend Public Act 152 of 1929 to require that the director of the Department of State Police allow any local 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 would permit, but not require, the director to permit other [i.e., non-local] governmental public safety agencies to do the same.) The bill specifies that all costs associated with installing and maintaining local agency equipment and any damage to the equipment from natural causes would be the responsibility of the local agency requesting permission. The bill also provides for the agency requesting permission to conduct, at its own expense, structural, wind load, and radio frequency analysis of the tower. Finally, the bill specifies that the director could deny permission to install or attach local agency equipment to a tower, if those analyses determined that the installation would structurally impair the tower or harmfully interfere with the operation of the MPSCS.

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. If 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.

Executive Directive 2003-12, issued in April 2003, provides for a similar process through which local agencies can install equipment on MPSCS towers, with a specific provision that such installation occur only if the Attorney General determines that it would not violate state or federal law or impair bond or debt obligations for the system.

Analyst(s)

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