

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on February 14, 2003 in Room 123-S of the Capitol.

All members were present except: Senator Wagle, excused

Committee staff present: April Holman, Legislative Research
Deb Hollon, Legislative Research
Mitch Rice, Revisor of Statutes
Jodie Anspaugh, Secretary

Conferees appearing before the committee: Mike Murray, Sprint
Judy Moler, Kansas Association of Counties
Danielle Noe, Johnson County
Commissioner Don Navinsky, Leavenworth County
Ron Hoffman, Harvey County
Kim Gulley, League of Kansas Municipalities

Others attending: See attached list.

Chairperson Brownlee called the meeting to order at 8:15 a.m. The committee continued the hearings on SB 153 and SB 180, regarding Enhanced 911. Mike Murray, Director of Governmental Affairs for Sprint, testified in favor of SB 180 and against SB 153. (Attachment 1) SB 180 would assess a statewide fee of fifty cents per month on each wireless telephone, and would split the fee 50-50 with the local units of government. SB 153 establishes a public safety loan fund and adds \$1.00 to each customer's phone bill, with the wireless carriers receiving no cost recovery. Arkansas, Iowa, and Nebraska all have fifty cent surcharges to implement Enhanced 911. Kansas is similar in demographics to those states and should also be able to implement Enhanced 911 with a fifty-cent fee. Mr. Murray noted a handout by Cingular Wireless regarding their deployment areas in Kansas. (Attachment 2)

Judy Moler, Kansas Association of Counties and the Public Safety Alliance, testified in support of SB 153. (Attachment 3) Ms. Moler is concerned with the issue of tax inequity as hardwired phone users are supplying all the money for emergency telephone service, though wireless users are also using 911 services.

Danielle Noe, Johnson County Intergovernmental Relations Coordinator, testified in support of SB 153 and in opposition to SB 180. (Attachment 4) In 2002, Johnson County received \$1.42 million in 911 tax revenues imposed on hardwired phones and spent \$2.04 million. Significant amounts of those expenditures were for equipment and services required to implement the wireless enhanced 911 system. Wireless subscribers in Johnson County make more than 50% of the calls to the 911 system, but they are not contributing any of the funds to cover the costs of maintaining or operating the system. SB 153 allows local governments the flexibility to meet the needs of their communities by enabling them to extend the 911 fee to wireless users, providing for continued local governmental authority over emergency telephone service, and assuring that 911 fees are levied and used locally.

Don Navinsky, Leavenworth County Commissioner, testified in support of SB 153. (Attachment 5) Leavenworth County has a 2003 expected deficit of \$135,753.24, with the institution of the new technology for Enhanced 911. He expects their wireless 911 funding to be depleted in July or August of this year. They are struggling to fund other county programs and do not have the ability to transfer money to fund 911.

Ron C. Hoffman, Chairman of the Kansas 911 Providers Association, testified in support of SB 153. (Attachment 6) Harvey County lost \$12,861 in 2002 in 911 revenue. Building towers and upgrading

CONTINUATION SHEET

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current 911 hardware is expensive and most Kansas counties cannot afford it. Mr. Hoffman believes SB 153 would solve many of these problems.

Kim Gulley, League of Kansas Municipalities, testified in support of SB 153. (Attachment 7) SB 153 utilizes the existing structure to provide a mechanism for the development of enhanced wireless 911 services. She is concerned about some of the provisions of SB 180, specifically the retention of tax dollars by private businesses, lack of support for PSAPs, and possible sweeping of state funds. Ms. Gulley believes SB 153 strikes an important balance between local control and statewide deployment of enhanced wireless 911.

Written testimony was provided by:

Major Walter Way, Johnson County Sheriff's Office (Attachment 8)

City of Overland Park (Attachment 9)

Bob Lamkey, Sedgwick County Director of Public Safety (Attachment 10)

Diane Gage, Sedgwick County Department of Emergency Communications (Attachment 11)

Donald R. Seifert, City of Olathe (Attachment 12)

April Holman, Legislative Research, offered a side-by-side comparison of SB 153 and SB 180. (Attachment 13)

Today's presenters answered a variety of questions regarding the revolving loan fund, cellular coverage in Kansas, and the costs associated with building a new cellular tower. Chairperson Brownlee asked the involved parties to consider a possible compromise of a 75 cent fee, with 25 cents given to the local governments, 25 cents to the revolving loan fund, and 25 cents to the wireless carriers.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for February 18, 2003 at 8:30 a.m. in Room 123-S.