

STATEWIDE RADIO BOARD

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LEGISLATIVE COMMITTEE

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April 7, 2016 10:00 a.m.  
Conference Call: 1-888-742-5095  
Code: 2786437892#  
Chair: Liz Workman

MEETING AGENDA

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CALL MEETING TO ORDER

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES

NEW BUSINESS/DISCUSSION ITEMS

- Legislative Initiatives Updates

OTHER BUSINESS

ADJOURN

STATEWIDE EMERGENCY COMMUNICATIONS BOARD  
LEGISLATIVE COMMITTEE

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January 7, 2016  
10:00 a.m. Conference Call

MEETING MINUTES

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**Attendance:**

**Members/alternates present:**

Liz Workman/vacant - Assoc. of MN Counties, Metro  
JimMcMahon /vacant - AMC Greater MN  
Bill Droste/vacant - League of MN Cities  
Thomas Egan/ Karla Bigham/Jill Rohret - MESB  
Mukhtar Thakur/Tim Lee- MnDOT  
Buck McAlpin/vacant-MN Ambulance Assn. Metro  
Joe Newton/vacant – MN Ambulance Assn, Greater Minnesota  
Sandra Westerman/vacant-MSA  
Wayne Kewitsch/vacant – Minnesota State Fire Chiefs Association  
Cari Gerlicher/vacant – Minnesota Police Chiefs  
Jeff Jelinski/Micah Myers – Central ESB  
Craig Buness/Doug Krier – NW ECB  
Brian Smith/Mark Lallak – NE ECB  
Kent Wilkening/Randy Hanson – SW ECB  
Marcia Ward/vacant –SE ECB  
Vacant/vacant – SC ECB  
\*members attending marked with highlight

**Others Present:**

Jackie Mines, ECN  
Carol Salmon, ECN  
Jim Stromberg, ECN  
Randy Donahue, ECN

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CALL TO ORDER

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Chair Workman calls meeting to order at 10:03 a.m.

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APPROVAL OF AGENDA

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**Marcia Ward moves to approve the agenda.**  
**Wayne Kewitsch seconds.**  
**Motion carries.**

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## APPROVAL OF PREVIOUS MEETING MINUTES

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**Kent Wilkening moves to approve the minutes from November.**  
**Karla Bigham seconds.**  
**Motion carries.**

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## NEW BUSINESS /DISCUSSION ITEMS

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### LEGISLATIVE INITIATIVES UPDATES

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Jackie Mines reports that one of the objectives the committee set last fall was to build up committee membership. A lot of the vacancies have now been filled. One spot still potentially outstanding is the one for the AMC from Greater Minnesota. This had been filled by Jim McMahon but there was discussion about whether he was aware that he was listed on the committee roster.

Chair Workman will call McMahon to see if he is interesting in participating on the committee. Marcia Ward suggests also contacting the AMC. Mines says if McMahon is not interested we could do a follow up call to the AMC but might need help from the other commissioners for support.

Mines says the other two vacant positions are the South Central ECB and possibly Sandra Westerman from the Sheriff's Association. Westerman has expressed interested in being on the committee but she was going to get verification from the Sheriff's Association and get back to us. Mines will give her a call. She has tried a couple of times to get Westerman to say for sure if she is able to join. We may have to go to Jim Franklin. The South Central we have not heard anything from.

Mines reports that the legislative initiatives the committee identified have been posted on the SECB website along with the chairs of the House Public Safety Committee and the Senate Judiciary Committee.

The initiatives the committee identified are:

- 1) Preserve the integrity of the 911 fund for only those items listed in statute.
- 2) Support making the sales tax exemption for items purchased for the ARMER system by joint powers boards.
- 3) Support the Governor's Border-to-Border Broadband initiatives.
- 4) Track any bills on how MN.IT may conduct business with local and state government agencies.

Discussion about the joint powers sale tax exemption. It was approved last year for 2016 but then in the special session it was attached to another bill and delayed until 2017. The committee supports pushing it back to 2016. The committee should add its support to other entities that are pushing for overall correction of the joint powers tax exemption (for example the Metropolitan Mosquito Control District). The committee's support should be broadened to say public safety communications.

Mines will change the wording on the website to say, "Support adding joint powers boards to the sales tax exemption for cities and counties and make it effective for 2016."

Chair Workman suggests the committee take proactive steps to support this. Discussion about writing a letter signed by the committee chair and also to suggest a brief meeting to explain the fiscal impact. Allowing exemptions on large equipment purchases helps tax money go further.

Chair Workman asks Karla Bingham to attend the meetings with her and asks Jackie Mines to help draft a letter.

**Marcia Ward moves that the committee send a letter to the chairs of tax and public safety finance committees supporting moving the joint powers sales tax exemption back to July 2016 and requesting a meeting.**

**Mark Lallak seconds.**

**Motion carries.**

Mines reports that the League of Minnesota Cities also supports broadband infrastructure funding and sales tax exemption on construction materials.

Chair Workman asks if we could put that on our website. Mines says we could put a link on our website to other organization's sites.

Tom Egan is on the Minnesota Inter-County Association (MICA) Board which has been developing its legislative platform. It should be available by next month. He will keep the committee informed of the MICA positions.

Mark Lallak asks about approaching the legislature to use some of the budget surplus for NextGen and FirstNet.

Mines responds that any requests that go to the legislature for anything related to public safety communications will be requested to come out of the 911 funds. Last year we raised the fee to the maximum amount we can raise it to – 95 cents—to cover the board's initiatives for the next five years. She would be hesitant to go to the legislature to ask for money from the surplus. Her experience is that we don't give out 911 funds beyond the PSAPs because that opens up the possibility of diluting the funds for the PSAPs.

Mines reports that ECN has commissioned a study by Federal Engineering to identify the long term costs associated with NextGen and FirstNet. The study will look at the newer technologies and how much it will cost counties and cities to keep their 911 centers up-to-date and how often they will need to upgrade the software and also the related cyber security issues. The hardware might not have to be upgraded as quickly but the software will. The study will look at understanding the lifecycle of equipment and software and identifying how often PSAPs upgrade today versus what will be needed in the future and how much counties and cities who have PSAPs are funding them through 911 funds and over and above how much are they funding through county dollars. It will look at what other states are spending 911 fees on that Minnesota doesn't spend them on. We spend it on the radio system which other states do not. She anticipates that we will need more money for the counties, particularly the metro counties, so we need to have a study to support us at the legislature if we go to the legislature to ask for more money for the PSAPs in the next few years. Once we get the data and have the report, Mines recommends that the NextGen Committee would put forth a plan for the SECB to add to its strategic initiatives and then look for funding. The concern is that in the future there will need to be more frequent upgrades and there won't be as

much time to save for them. There are a lot more costs on a yearly basis than ever before. We are going to have to really start to focus on the training costs as well.

Discussion about training. Jeff Jelinski reports that in Morrison County it is difficult to find capable people to run a 911 center. More training is needed now than in the past.

Lallak reports that the NE region will be submitting a SHSP grant proposal for the concept of making Pike Lake in Duluth a regional training center for both phones and ARMER radio. They are going through an initiative right now—the sheriff has advanced the dollars—to certify dispatchers. They can only certify them through Itasca County. It's gotten to the point where a two week or four week training program for a communicator is not enough. At some point we are going to have to make a move to go to the legislature and say this is not just answering a phone anymore. He says in South Dakota when a dispatcher is hired for any agency they have to go through a training program that is certified by the state. That has been in place for eleven years.

Rohret says this discussion is also happening in the Metro. We need to figure out exactly what it is that we are asking for so we can create a plan. She says it's nice to hear that other areas of the state are considering it as well so maybe we can look at it statewide. The Metro has tasked itself to look at exactly what we are talking about for certification so we can have a package and maybe something ready potentially for next year. We need to work over the course of this year to figure out exactly what we want.

#### **OTHER BUSINESS**

None.

**Meeting is adjourned at 10:50 a.m.**

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 2249**

(SENATE AUTHORS: REST and Dziejdzic)

| DATE       | D-PG | OFFICIAL STATUS                                     |
|------------|------|---|
| 03/08/2016 | 4890 | Introduction and first reading<br>Referred to Taxes |
| 03/14/2016 | 5047 | Author added Dziejdzic                              |

1.1 A bill for an act  
 1.2 relating to taxes; sales and use; accelerating the effective date for certain  
 1.3 exemptions for local governments; amending Minnesota Statutes 2015  
 1.4 Supplement, section 297A.70, subdivision 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2015 Supplement, section 297A.70, subdivision 2,  
 1.7 is amended to read:

1.8 Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b),  
 1.9 to the following governments and political subdivisions, or to the listed agencies or  
 1.10 instrumentalities of governments and political subdivisions, are exempt:

1.11 (1) the United States and its agencies and instrumentalities;

1.12 (2) school districts, local governments, the University of Minnesota, state universities,  
 1.13 community colleges, technical colleges, state academies, the Perpich Minnesota Center for  
 1.14 Arts Education, and an instrumentality of a political subdivision that is accredited as an  
 1.15 optional/special function school by the North Central Association of Colleges and Schools;

1.16 (3) hospitals and nursing homes owned and operated by political subdivisions of  
 1.17 the state of tangible personal property and taxable services used at or by hospitals and  
 1.18 nursing homes;

1.19 (4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan  
 1.20 Council of vehicles and repair parts to equip operations provided for in section 473.4051  
 1.21 are exempt through December 31, 2016;

1.22 (5) other states or political subdivisions of other states, if the sale would be exempt  
 1.23 from taxation if it occurred in that state; and

2.1 (6) public libraries, public library systems, multicounty, multitype library systems  
 2.2 as defined in section 134.001, county law libraries under chapter 134A, state agency  
 2.3 libraries, the state library under section 480.09, and the Legislative Reference Library.

2.4 (b) This exemption does not apply to the sales of the following products and services:

2.5 (1) building, construction, or reconstruction materials purchased by a contractor  
 2.6 or a subcontractor as a part of a lump-sum contract or similar type of contract with a  
 2.7 guaranteed maximum price covering both labor and materials for use in the construction,  
 2.8 alteration, or repair of a building or facility;

2.9 (2) construction materials purchased by tax exempt entities or their contractors to  
 2.10 be used in constructing buildings or facilities which will not be used principally by the  
 2.11 tax exempt entities;

2.12 (3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11,  
 2.13 except for leases entered into by the United States or its agencies or instrumentalities;

2.14 (4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause  
 2.15 (2), and prepared food, candy, soft drinks, and alcoholic beverages as defined in section  
 2.16 297A.67, subdivision 2, except for lodging, prepared food, candy, soft drinks, and alcoholic  
 2.17 beverages purchased directly by the United States or its agencies or instrumentalities; or

2.18 (5) goods or services purchased by a local government as inputs to a liquor store, gas  
 2.19 or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf  
 2.20 course, marina, campground, cafe, or laundromat.

2.21 (c) As used in this subdivision, "school districts" means public school entities and  
 2.22 districts of every kind and nature organized under the laws of the state of Minnesota, and  
 2.23 any instrumentality of a school district, as defined in section 471.59.

2.24 (d) For purposes of the exemption granted under this subdivision, "local  
 2.25 governments" has the following meaning:

2.26 (1) for the period prior to January 1, ~~2017~~ 2016, local governments means statutory  
 2.27 or home rule charter cities, counties, and townships; and

2.28 (2) beginning January 1, ~~2017~~ 2016, local governments means statutory or home rule  
 2.29 charter cities, counties, and townships; special districts as defined under section 6.465; any  
 2.30 instrumentality of a statutory or home rule charter city, county, or township as defined in  
 2.31 section 471.59; and any joint powers board or organization created under section 471.59.

2.32 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 2.33 and applies retroactively for sales and purchases made after December 31, 2015. Local  
 2.34 governments impacted by this section may apply under section 2 for a refund of taxes  
 2.35 paid on exempt purchases.

3.1        **Sec. 2. REFUNDS OF TAXES PAID; LOCAL GOVERNMENTS.**

3.2        Special districts as defined under Minnesota Statutes, section 6.465; any  
3.3 instrumentality of a statutory or home rule charter city, county, or township as defined in  
3.4 Minnesota Statutes, section 471.59; and any joint powers board or organization created  
3.5 under Minnesota Statutes, section 471.59, may apply directly to the commissioner of  
3.6 revenue for a refund of taxes paid on purchases made after December 31, 2015, and before  
3.7 January 1, 2016, that are exempt under Minnesota Statutes, section 297A.70, subdivision  
3.8 2. Each entity may file only one application for a refund of all taxes paid during this time  
3.9 period. The application must be in the form required by the commissioner and provide  
3.10 sufficient information that the commissioner can verify the amount paid. Interest must be  
3.11 paid on the refund at the rate in Minnesota Statutes, section 270C.405, from 90 days after  
3.12 the refund claim is filed with the commissioner. The amount required to make the refunds  
3.13 is annually appropriated to the commissioner.

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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2387

03/08/2016 Authored by Freiberg, Youakim, Carlson and Loeffler  
The bill was read for the first time and referred to the Committee on Taxes

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