

SESSION OF 2004

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2756

As Amended by House Committee on Utilities

Brief*

The bill would authorize the Department of Transportation to purchase and lease communications equipment, including access to radio communication towers, to public safety, governmental, and non-governmental entities. The Secretary of Transportation would be authorized to establish lease prices for the program. Lease prices established for governmental entities would have to be set so that the Department could recover actual, incremental costs of administration, equipment, installation, and maintenance for each lessee. In the case of non-governmental entities, any lease prices would have to be set at prevailing rates in order to minimize competition with private business. The Secretary of Transportation would be authorized to adopt rules and regulations to implement the act.

The bill would create the Communication System Revolving Fund as the repository for funds, including bond revenue, received under provisions of the act, and other funds available for purposes eligible for financing from the fund. Subject to appropriation acts, expenditures from the fund could be made for equipment, maintenance and administration of the communication system, financing costs, and administrative costs.

Finally, the bill would authorize the Kansas Development Finance Authority to issue bonds to finance the communication system created by the act.

Background

Currently, the Department of Transportation maintains a statewide radio communication system for use by the Department and the Kansas Highway Patrol. The Special Committee on Kansas Security

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

and the Special Committee on Utilities learned during the 2003 interim of difficulties experienced by public safety and emergency response agencies that currently lack a statewide interoperable radio communication system. The bill was introduced by the House Committee on Utilities after discussions with the Department of Transportation and other state public safety agencies resulted in agreement that the Department's existing 800 MHz radio communication investment could appropriately serve as a starting point for a statewide system. SCR 1616, which has passed the Senate and was recommended favorably by the House Utilities Committee, would express the Legislature's support for the Department's efforts in this regard.

The bill was supported in testimony by the Department of Transportation at the House Utilities Committee's hearing on the bill. Written testimony in support of the bill was submitted by the Kansas Association of Counties, the Kansas Legislative Policy Group, and the League of Kansas Municipalities. No opponents to the bill presented testimony at the House Committee hearing.

The Division of the Budget's fiscal note on the bill includes the observation that the bill does not indicate the level at which the new program would operate. The fiscal note states that the Department estimates that \$5.0 million would be adequate during FY 2005. Of that amount, \$568,302 would be used for personnel costs associated with 12.0 FTE new positions. The remaining \$4.4 million would be available to purchase, install, and service authorized radio communication equipment. According to the fiscal note, the Department anticipates transferring \$5.0 million from the State Highway Fund to capitalize the Revolving Fund in accordance with the bill.

The fiscal note also states that the Department anticipates that revenue generated by leases authorized by the bill would be sufficient to finance the ongoing costs of the communication system, and the Fund would be self-supporting thereafter. In addition, the Department estimates that lease revenue would be sufficient to repay the \$5.0 million capitalization loan from the State Highway Fund. Any fiscal effect resulting from enactment of the bill would be in addition to amounts recommended by the Governor for FY 2005.