

HOUSE RESEARCH

Bill Summary

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Subject: Funding for local users of CriMNet

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Overview

This bill establishes a process and a funding mechanism for implementing CriMNet as a mandatory statewide standard for criminal justice information sharing and technology capability. It requires the development and implementation of an implementation plan to connect local users to the system over a four-year period. It also specifies the payment responsibilities of the state and the local users for building and maintaining the system. Finally, it provides two financing mechanisms for implementing CriMNet statewide. First, it requires local users to pay participation fees to use CriMNet and it funds payment of those fees through offsets of the local users' local government aid. Second, it authorizes the state to issue revenue bonds to pay for the system and uses the local users' participation fees to pay the debt service on the bonds.

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- 1 Definitions.** Defines "commissioner" to mean the commissioner of finance and "CriMNet" to mean the Criminal Justice Information System Network administered by the commissioner of public safety.
- 2 CriMNet local user implementation plan.** Provides a process for implementing CriMNet statewide and for financing this implementation.

Subdivision 1. Three phases. Requires the Criminal and Juvenile Justice Information Policy Group (CJJIPG), in collaboration with its advisory task force, to prepare a local user CriMNet implementation plan by no later than December 31, 2005. Provides that

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this plan, to be implemented in three phases over a four-year period, will be the new, mandated statewide standard for information sharing and technology capability for local CriMNet users. Requires the plan to provide for all local users to have complete work flow capability by December 31, 2009. Requires that the implementation plan be submitted to the relevant legislative committees.

Requires the plan to calculate the cost of fully implementing the new, mandated statewide standard for all local users by December 31, 2009. Also requires that local users (including cities and counties) be charged an annual participation fee in an amount set by the CJJIPG's task force, and that the fee be deposited in a special account in the state treasury to pay debt service on the revenue bonds issued under section 3. Provides that these fees be set on a sliding scale, ranging from \$2,000 to \$25,000, depending on the local user's per capita service area, and be collected in a timely manner relative to the user's service implementation date.

Provides for the annual participation fees to be paid through a system of automatic offsets of local government aids otherwise due to the local user's jurisdiction under Minn. Stat. chapter 477A. Establishes a process to be followed by the commissioners of revenue and public safety to implement these offsets. Requires that the implementation plan include an assessment of the local upgrades that the local user will need to hook up to CriMNet.

Subd. 2. Local user technical panel. Creates a local user technical panel to help prepare the implementation plan. Requires the panel to include one member from each of the regional districts of the Association of Minnesota Counties, five members from the League of Minnesota Cities, and one member from M.I.C.A.

Subd. 3. Participation fees. Authorizes the commissioner of public safety to impose participation fees on CriMNet participants in amounts sufficient to recover the costs of developing the network. Requires the commissioner to consult with all affected parties, the commissioner of finance and the CJJIPG in setting these fees. Permits the commissioner to begin collecting the fees, through local government aid offsets, on January 1, 2006.

Subd. 4. CriMNet account. Creates two special accounts in the state treasury, known as the CriMNet local user account and the CriMNet debt service account. Requires the deposit of participation fees in the debt service account in amounts sufficient to pay debt service payments on the revenue bonds issued under section 3. Permits the remainder to be deposited in the local user account.

Subd. 5. Initial costs and ongoing maintenance costs. Establishes the duties of the state and of local CriMNet users to pay various costs of the system. Requires the implementation plan to address the feasibility of developing ten regional hubs for local users. Provides that the initial cost of building the hubs will be paid through revenue bond proceeds and that the cost of their ongoing maintenance and operation will be borne by the state. Provides, further, that revenue bond proceeds will pay for local users to connect to and access the regional hubs, but that ongoing maintenance of

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connectivity and access will be borne by the local users.

Subd. 6. Appropriation. Appropriates the money in the CriMNet local user account to the commissioner of finance to pay costs of implementing the CriMNet implementation plan after debt service payments have been made on the revenue bonds issued under section 3.

3 CriMNet revenue bonds and their use. Authorizes the issuance of revenue bonds to pay for the implementation of the CriMNet.

Subdivision 1. Bonding authority. Authorizes the commissioner of finance to issue and sell revenue bonds, at CJJIPG's request, to pay the cost of implementing the CriMNet implementation plan, to establish a reserve fund, and to pay the cost of issuing the bonds.

Subd. 2. Amount. Sets an unspecified dollar amount as the maximum limit on the principal of the CriMNet revenue bonds.

Subd. 3. Procedure. Sets forth the procedure for issuing the bonds and places an annual limit of \$10,000,000 on the principal amount that may be issued in a single calendar year.

Subd. 4. Policy group. Provides that each installment of bonds is payable in ten-year increments. Authorizes the CJJIPG, with the commissioner's approval, to determine when to begin collecting participation fees to repay the bonds and in what amounts.

Subd. 5. Revenue sources. Provides that each installment of bonds is payable in ten-year increments. Permits debt service on the bonds to be paid only from money appropriated to the CriMNet debt service account, the principal and any interest payable on assets in that account, and other revenues pledged for bond repayment.

Subd. 6. Refunding bonds. Permits the commissioner to refund outstanding bonds.

Subd. 7. Not a general or moral obligation. Makes clear that bonds issued under this section are not public debt nor backed by the full, faith, credit and taxing powers of the state. Prohibits the payment of these bonds through general tax proceeds but, instead, limits bond payment to those revenues explicitly authorized to be pledged under this section. Makes clear that the state assumes no moral authority to pay the bonds if the pledged revenues prove insufficient.

Subd. 8. Trustee. Permits the commissioner to appoint a trustee for bondholders.

Subd. 9. Pledges. Provides that pledges made by the commissioner are valid and binding.

Subd. 10. Bonds; purchase and cancellation. Permits the commissioner to purchase

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and redeem bonds from bondholders.

Subd. 11. State pledge against impairment of contracts. Pledges to preserve the contractual rights of bondholders.