

Senate Bill 901

BLUE MOUNTAIN TRANSLATOR DISTRICT
ALEX MCHADDAD, EXECUTIVE DIRECTOR

2019 Legislative Goals

- 1) Expand Services – SB 394
 - Local emergency alerts, local TV channel, ATSC 3.0 adoption
- 2) Administrative Reform – SB 393
 - Annex cities, include all service charge payers in governance, exempt state properties
- 3) Revenue Reform – SB 901
 - Permit voters to consider ad valorem property taxes
 - Permit property inspection partnerships with cities
 - Permit revenue collection partnerships with cities

The Revenue Question

- In 1975, legislation creating translator districts authorized property taxes.
- In 1979, the legislature created the service charge system.
 - “A district created before May 7, 1979, shall be considered to have received elector authorization for imposition of the service charge.”
- The problem: There was no actual elector authorization. Voters were not given the right to choose between property taxes or service charges at the ballot box.

Understanding Translator District Revenue

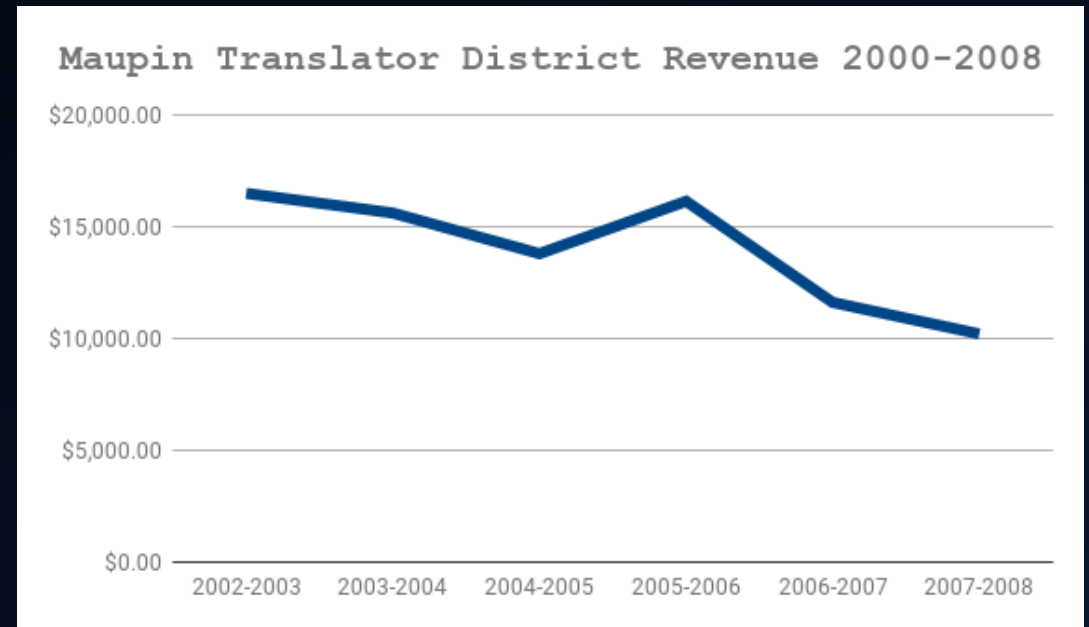
- Direct Service Charge Payments + Property Tax Liens = Revenue
- $0.9 * (\text{Delinquent service charges}) = \text{Property Tax Liens}$
 - County keeps 10% of property tax liens as collection fee
- 2019-2020 Projection
 - 500 Service Charge Payments
 - Delinquent properties total \$65,973.67.
 - $50,000 + 0.9 (65,973.67) = \$109,376.30$
 - 100% of delinquent property owners could return exemption notices by May 31.
 - $50,000 + 0.9 (0) = \$50,000$

UNDERSTOOD?



Revenue Volatility

- The service charge system is extremely volatile and led to the dissolution of our only peer institution in Oregon, the Maupin Translator District.
- From 2002-2008, MTD revenue fluctuated between \$4,500 decreases and \$2,300 increases.
- Source: Reports-in-lieu of Audit filed with OR Secretary of State.



Revenue Volatility

- In 2017, BMTD projected revenue of \$86,000.
- The FCC's 2017 Spectrum Auction saw T-Mobile win 11 of BMTD's 17 channel licenses.
- BMTD was forced to vacate within 90 days of T-Mobile's notice, with an unbudgeted price tag of \$20,000 to find new channel space and purchase new equipment.
 - Congress did not allocate repack reimbursement funding for any displaced non-Class A LPTV stations.
- Unexpectedly, BMTD's revenue jumped to \$120,000 and repack costs were absorbed.



VIA CERTIFIED MAIL & EMAIL

June 27, 2017

BLUE MOUNTAIN TRANSLATOR DISTRICT
PO BOX 901
LA GRANDE, OR 97850

RE: Notification of Intent to Begin 600MHz Operations

Dear K39FD-D Licensee:

T-Mobile USA, Inc. ("T-Mobile") is notifying you that T-Mobile is preparing to commence operations on its 600MHz spectrum in the Partial Economic Area ("PEA") # 297 by 10/31/2017 and your station is likely to cause harmful interference to T-Mobile's operations.

To determine if your station(s) is likely to cause interference, an interference analysis has been performed, as specified by the Federal Communications Commissions' ("FCC") Inter-service Interference procedures⁶²¹, using publicly available information in the FCC's Licensing and Management System ("LMS") for your facility. This analysis predicts field strength at T-Mobile's base station and user equipment locations in the PEA # 297 market from your facility. The FCC has set the thresholds at which the predicted field strength from low power TV and translator stations creates a sufficient interference risk to wireless facilities. T-Mobile has determined that your facility exceeds those thresholds and is an interference risk to its wireless operations.

T-Mobile will commence its operations in the PEA # 297 market on 10/31/2017. This letter provides the 120 days' advance notification required by FCC regulations, 47 CFR §73.3700(g)(4). The FCC regulations also require you to cease operations or eliminate the potential for harmful interference to T-Mobile's wireless facilities in the PEA # 297 market.

The FCC will work with you to attempt find a new television channel outside of the new 600 MHz mobile band that will not interfere with T-Mobile's network. You should review the FCC's Tools Available to LPTV/Translator Station Public Notice (enclosed) released on June 14, 2017 and contact Hossein Hashemzadeh, Melvin Collins, or Barbara Kreisman at the FCC for more information about the options available in your area.⁶²²

Please email 600MhzFC@T-Mobile.com once you have determined when you will eliminate the interference. If you would like additional information regarding our findings or if it might be

⁶²¹ See 30 FCC Red 12049, 12071, para. 49 (2015)

⁶²² See <https://www.fcc.gov/document/fair-notice-set-forth-tools-available-lptvtranslator-stations>

Revenue Stabilization

- Ad valorem property taxes are predictable.
- BMTD's Union County properties are approximately valued at \$750 million. A tax of \$0.26 per \$1,000 would provide \$200,000 for the year, BMTD's optimum budget.
 - Baker County was unable to provide data on combined property value, but an ad valorem tax on properties in both counties would be lowered to ensure that BMTD did not exceed approximately \$200k in revenue.
- -1 Amendment: Property taxes only decided during Presidential election years.

City Partnerships

- SB 901:
- Allows cities to inspect properties for antennas.
 - -2 Amendment makes reimbursement for inspection costs negotiable.
 - Concern about 10% statutory limit from Baker City Councilor
- Allows cities to collect service charges on utility bills in exchange for 10% collection fee (same as county tax collectors).
- Certain officials at City of Elgin expressed interest in partnerships. Because the text of the bill was introduced so late, BMTD did not ask any city to make a formal endorsement or commitment to entering into these partnerships.