

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 313

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**Version:** As introduced

**Authors:** Hornstein and others

**Subject:** Street utility fees

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### Overview

This bill allows cities to impose street utility fees on property, calculated using trip-generation rates for different types of land use.

#### Section

**1 Street utility fees.** Authorizes cities to impose street utility fees.

**Subd. 1. Definitions.** Defines terms.

**Subd. 2. Authorization.** Authorizes cities to impose street utility fees on real property in the city.

**Subd. 3. Adoption.** Requires an ordinance imposing a street utility fee to be adopted by a two-thirds vote of the city council. Requires notice and hearing prior to adoption of the ordinance.

**Subd. 4. Collection.** Requires a street utility ordinance to provide for payment of the fee on a monthly, quarterly, or other basis. Allows for collection of overdue fees in the same manner as special assessments.

**Subd. 5. Master plan requirement.** Requires a city imposing a street utility fee to adopt a master plan covering street reconstruction, upgrading, and maintenance for

**Section**

five years.

**Subd. 6. Use of proceeds.** Allows revenue from a street utility fee to be used only for the projects listed in the master plan. Prohibits a city from accumulating revenues from a street utility fee beyond the estimated costs in the master plan.

**Subd. 7. Trip-generation data.** Requires a street utility fee to be calculated based on a trip-generation rate for each type of land use based on the Institute of Traffic Engineers trip generation manual.

**Subd. 8. Appeals.** Allows a property owner to appeal a street utility fee or the trip-generation rate within 60 days after notice of the fee due has been mailed. Provides for appeals of the decision of the city to be made to the Tax Court.

**Subd. 9. Not to restrict other sources.** Provides that use of a street utility fee does not prohibit the city from using other revenue sources such as special assessments, bonding, or property taxes to pay street costs.

The act would be effective for fees payable in 2006 and after.