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Overview

Under current law, a municipality may impose a fee for a “license, permit, right or franchise” that raises revenue or defrays increased municipal costs due to gas or electric utility operations, or both. This bill provides for public notice, a hearing, and a biennial referendum on whether the municipality may impose a fee that raises revenue. Under section 216B.02, a municipality means a city, however organized (i.e., statutory or home rule charter).

Section

1 Municipal regulatory and taxing powers.

Subd. 1. Municipal authority to regulate public utilities. Cross reference.

Subd. 2. Biennial referendum on fees to raise revenues. Permits a municipality to impose fees that raise revenue for a two-year period if approved by the voters at the municipal general election. Requires the municipality, in its ordinance or agreement with the utility, to identify what will constitute a cost to the city. Requires the city to identify the intended uses of revenue raised beyond what is need to cover city costs. Requires public notice (published, on the city’s Web site, and mailed to affected rate payers) to explain the fee, that fees are passed on to utility customers, that the municipality may use an alternative funding source to raise revenue or forego the planned use, and what it will cost those paying from another source.

Section

Requires the municipality to provide an opportunity for public comment at a regular meeting after notice. Requires a referendum at a general election every two years on whether to allow the fee to continue to be imposed.

Applies to fees imposed under licenses, permits, rights, or franchises issued or renewed on or after August 1, 2017. For agreements entered into before that and that extend beyond 2022, requires notice and voter approval as provided in this section.