

MINNESOTA • REVENUE

PROPERTY TAX

Motor Vehicle Fire Revolving Account And Township Service Charges

April 23, 2003

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 78 (Stumpf)

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective August 1, 2003.

EXPLANATION OF THE BILL

Current Law: Expenses incurred by a municipal or volunteer fire department in extinguishing a grass fire within the right-of-way of a trunk highway must be reimbursed by the Commissioner of Transportation from the trunk highway fund.

Townships may impose a reasonable service charge for emergency services including fire, rescue, medical, and related services. If the service charge remains unpaid by a property owner in the county for 30 days after a notice of delinquency is sent, the town may certify the delinquent payment to the county auditor for collection together with property taxes levied on the property.

Proposed Law: In addition to grass fires, municipal or volunteer fire departments who extinguish motor vehicle fires within the right-of-way of a trunk highway or interstate may be paid for uncollected expenses from a new motor vehicle fire revolving account in the general fund. Fees charged by the Commissioner of Transportation to put out motor vehicle fires in trunk highways or interstates will be deposited in the new revolving account and used to reimburse fire departments.

The authority granted to townships to collect service charges for emergency services from property owners in the same county is expanded so townships may report uncollected charges to another county auditor when the payee owns property in another county.

REVENUE ANALYSIS DETAIL

- Because the motor vehicle fire revolving account in the general fund will be funded from fees collected for extinguishing motor vehicle fires, there will be no impact on the state general fund.
- Although the new powers of township official to collect unpaid emergency service charges from property owners in other counties may somewhat increase township revenues, any impact on township levies is unknown and likely to be small.

Number of Taxpayers Affected: Unknown

Source: Minnesota Department of Revenue
Tax Research Division
<http://www.taxes.state.mn.us/polic.html#analyses>

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