

MINNESOTA • REVENUE

PROPERTY TAX Fire Service Reimbursement for Motor Vehicle Fires

March 15, 2005

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

Department of Revenue
Analysis of H.F. 210 (Blaine) / S.F. 344 (Stumpf)

	Fund Impact			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective August 1, 2005.

EXPLANATION OF THE BILL

The bill allows fire departments to be reimbursed for expenses incurred in extinguishing motor vehicle fires within the right-of-way of a trunk highway or interstate, in addition to grass fire expenses currently reimbursed by the commissioner of transportation. To the extent that expenses are not reimbursed by insurance or some other reasonable method, municipal and volunteer fire departments may be reimbursed by the Commissioner of Transportation up to \$300 per motor vehicle fire call. A motor vehicle fire revolving account is created in the general fund to pay reimbursements to fire departments. The commissioner shall deposit into the motor vehicle fire revolving account reimbursements received by persons, firms, and corporations for costs of extinguishing motor vehicle fires within trunk highway rights-of-way.

The bill also provides towns the authority to collect unpaid bills for emergency and other services from any recipient of services, not just property owners.

REVENUE ANALYSIS DETAIL

- There is no state cost associated with the bill. It is assumed that reimbursements paid to fire departments from the general fund will be covered by fees received the Commissioner of Transportation from persons, firms, and corporations for costs of extinguishing motor vehicle fires.
- It is not known how many cities or towns would receive expense reimbursements or unpaid service charges under the bill, but this increase in local revenues could possibly lead to some small decrease in local property tax levies.

Number of Taxpayers: 789 fire departments in Minnesota.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy