



IMPOSING A SERVICE CHARGE FOR EMERGENCY SERVICES

Using the authority provided by Minn. Stat. § 366.011, towns “may impose a reasonable service charge for emergency services, including fire, rescue, medical, and related services provided by the town or contracted for by the town.” Before enactment of this law, the authority for towns to charge for fire calls was based on Minn. Stat. § 365.181, subd. 4. However, the language of the section was not entirely clear and did not reflect the full range of services fire departments provide today. Towns that have been imposing a charge are *strongly* encouraged to organize their practices under Minn. Stat. § 366.011. This resource is an overview of the issues and procedures to consider when imposing an emergency service charge.

- I. **Authority:** Per Minn. Stat. § 366.011, the town board decides whether to impose a service charge for emergency services. While a vote of the town electors is not required to impose the service charge, the board could seek elector input at the annual town meeting or at a board meeting on whether to impose such a charge.

Some fire departments require payment of a service charge in the contract with the town. In these cases, the town board must decide whether to use the town’s fire levy funds to pay the charge, or to pass the charge through to the recipients of the service.

Another factor that may impact the imposition of a service charge is whether the town has formally established special fire protection districts under Minn. Stat. § 368.85. These are separate taxing districts that are usually developed as a result of the town being served by several different departments with different procedures for calculating costs. In these cases, one contract may provide for a service charge while another may not contain such a charge.

- II. **Legal Help:** Seek the appropriate legal assistance to properly develop and implement the service charge. At a minimum, the board should have any proposed forms, sample letters, and procedures reviewed by an attorney. Since each township may have a different fire contract or fire protection district, and varying services provided by one or more emergency service providers, MAT recommends townships do not simply ‘borrow’ ordinances, forms, or procedures from other townships. The resources one township uses may be inappropriate for other townships.

III. Which Services: Decide the types of emergency services for which there will be a charge and the situations in which the charge will apply. The types of emergency services charged for in a town are usually those provided by the fire departments serving the town. The fact that fire departments today provide a wide range of emergency services, from vehicle and water rescue to first responder emergency medical response, was one of the primary reasons the legislation was developed and why the statute lists a wide range of emergency services. However, some townships are served by separate fire and ambulance services, so it's important to decide if different charges are appropriate for each service.

The situations in which the service charge may apply can be limited or tailored to fit the needs of the community, but the charges set must be imposed uniformly. For instance, a town may impose a charge only against those who have multiple false alarm calls within a certain time. Other towns impose a charge for all emergency services provided by the fire department. As discussed above, this issue may be driven by the terms of the fire service contract.

IV. Amount of the Service Charge: The statute requires the charge to be “reasonable.” In other words, the charge should accurately reflect the actual cost of providing the service. The board should develop findings related to the costs involved in providing the service (administrative costs, equipment costs, firefighter costs, fuel, etc.) to support the charges it imposes. The findings should be developed as part of adopting the fee schedule discussed below.

V. Ordinance: Develop and adopt an ordinance to impose the service charge. The ordinance must reflect the board’s decisions regarding the scope of the charge. The ordinance can include the amount of the service charge or indicate that a fee schedule will be established by town board resolution. The board would then develop and adopt a fee schedule by resolution. The fee schedule should be regularly updated as needed to stay current (perhaps at the reorganizational meeting or at the meeting following the signing of a new contract).

Publish both the ordinance and resolution (if used) in the town’s official newspaper, place them in the town’s ordinance book, place them in the local library (or other public place if there is no nearby library), and send them to the county law library. Minn. Stat. § 365.125 and Minn. Stat. § 415.021.

VI. Billing Process: The board should include in the ordinance or a resolution a process for billing those who receive the services. The fire department must ensure it is recording the name and address of the person receiving the service. That information will need to be forwarded

to the town in a timely manner. The board should include this as a requirement in the fire contract as a condition to the payment of a service charge to the provider.

The town board should designate someone to carry out the billing process and provide the proper sample forms needed to carry it out. Note that these activities are not the duty of the clerk or treasurer, but they may agree to perform these duties. The person overseeing the administration of the charges should keep a dated record of the service provided, all correspondence with those who receive the service, and any responses. This record will be important to help ensure a consistent and timely approach to collecting the service charge.

VII. Unpaid Service Charges: The town board must decide how it will handle unpaid service charges. If a charge remains unpaid 30 days after a notice of delinquency is sent to the recipient of the service or the recipient's representative or estate, the town or its contractor, may use any lawful means allowed to a private party for the collection of an unsecured delinquent debt. If the city, for instance, will be collecting the charge on the town's behalf, that arrangement should be set out in writing in the fire contract.

The notice of delinquency should include a notice of the steps that will be taken by the board if the service charge is not paid. For example, the notice sent to landowners in the town could include a statement indicating the charge will be placed on their property taxes if it is not paid.

Access to Billing Data

To use the billing charges in these statutes, the township must receive the identity and contact information of those receiving services, from the fire department. Some fire departments have, incorrectly, refused to provide such data, claiming they are prohibited from doing so because of data practices restrictions. Since the services are provided by contract on behalf of the township, the fire department can provide this information to the township for its billing purposes.