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## **A Threat to City Fees?**

The Minnesota Supreme Court this week ruled that fees St. Paul was charging property owners for street maintenance amounted to a tax and therefore should be subject to the city's constitutional limits on taxing authority.

The case was brought by two churches who argued they were asked to pay for a service that benefitted the public, not just the property owner. The fee applied to routine street services including street sweeping, snow plowing, streetlight maintenance and litter pick-up. It affects more than 81,000 St. Paul homes, churches, nonprofits, universities and businesses.

St. Paul's city attorney framed the loss as a technical one, [telling the \*Twin Cities Pioneer Press\*](#) that "it's not a question of if the city can collect assessments but how it goes about doing so."

*The Takeaway:* This case is more than a technical debate. St. Paul is like many cities and counties across the country in that it's seen an increasing share of its budgeted income come from fees rather than taxes in recent decades. Simply put, it's easier to raise a fee — or create a new one — than it is to raise a tax.

It's important to note that this ruling only immediately applies to St. Paul. But it could spark copycat suits in other municipalities. At a minimum, it might give municipalities pause when instituting a new fee — to consider whether they are actually charging for an individual service or a public good.

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