

Fees Set by Ordinance or Resolution Chart, LMC Model Form

Helpful background information on this model may be found in the [Licensing Chapter](#) of the Handbook for Minnesota Cities.

FEE SCHEDULES: FIXING FEES VIA ORDINANCE OR RESOLUTION

It is becoming increasingly popular for cities to make use of a fee schedule in setting and/or changing licensing and other regulatory fees. The fee schedule is a list of each fee charged by the city that is usually found in an appendix of the city's ordinance book. Fee schedules are developed in lieu of listing individual dollar amounts in each separate licensing or regulatory section of the ordinance book. By using a fee schedule, a city can revise all its fees at once in a single ordinance revision, rather than revising many separate ordinance provisions. The schedule also generally makes it easier to handle publishing concerns.

While fee schedules can be convenient, they have the tendency to blur the distinctions between different types of licensing fees. Often State statutes impose unique notice or hearing provisions regarding a change in licensing fees. In other instances, State statutes may prescribe dollar limitations on certain fees. Cities must heed these requirements in changing their fees even when using a blanket fee schedule.

Finally, most fees should be set via ordinance and changed via an ordinance amendment. Although fixing license fees by resolution is more convenient and eliminates the necessity of publishing, fixing fees in such a manner is probably invalid. A rare exception to this occurs only where the enabling State statute allows for the fee to be set via resolution. Where State statute does not permit cities to set the fee via resolution, such fees are probably void and likely unenforceable in a court of law.

The attached chart has been developed by the League Research Department to provide cities with a convenient method for determining whether a fee should be set via ordinance or resolution, when a public hearing or individual notice is required, and whether the State imposes limits on the fee amount.

Type of Fee	Establish by ordinance?	Establish by resolution?	Fee set or limited by state law?	Hearing required?	Notice required?	Statute or rule reference
Liquor Licensing						
On-Sale 3.2 Malt Liquor License	Yes	No	No	Yes	Yes	340A.408 Subd. 1.

Type of Fee	Establish by ordinance?	Establish by resolution?	Fee set or limited by state law?	Hearing required?	Notice required?	Statute or rule reference
Off-Sale 3.2 Malt Liquor License	Yes	No	No	Yes	Yes	340A.408 Subd. 1
Club On-Sale Intoxicating Liquor	Yes	No	Yes	Yes	Yes	340A.408 Subd. 2(b).
On-Sale Intoxicating Liquor	Yes	No	Yes, may only be set to cover costs and enforcement.	Yes	Yes	340A.408 Subd. 2.
Intoxicating Liquor Wine License	Yes	No	Yes	Yes	Yes	340A.408 Subd. 2(c).
Off-Sale Intoxicating Liquor	Yes	No	Yes	Yes	Yes	340A.408 Subd. 3.
Transient Commerce						
Peddlers & Solicitors License	Yes	No	No	No	No	412.221 Subd. 19.
Animals						
Pet/Dog License	Yes	No	No	No	No	412.221 Subd. 21.
Amusements & Entertainments						
Public Dance License	Yes	No	No	No	No	412.221 Subd. 27.
Special Event or Entertainment Permit	Yes	No	No	No	No	412.221 Subd. 25.
Bowling Alley License	Yes	No	No	No	No	412.221 Subd. 25.
Billiard & Pool Hall License	Yes	No	No	No	No	412.221 Subd. 25.

Type of Fee	Establish by ordinance?	Establish by resolution?	Fee set or limited by state law?	Hearing required?	Notice required?	Statute or rule reference
Game Room & Arcade License	Yes	No	Yes, amusement machines limited to actual cost or \$15.	No	No	412.221. Subd. 25 & 449.15.
Tobacco						
Cigarette & Tobacco Sales License	Yes	No	Yes. May only be set to cover costs & enforcement. No fee for a person who is blind.	No	Yes	461.12. 461.15.
Gambling						
Gambling Permit for exempt gambling (bingo, pull-tab, paddlewheel, etc.)	Yes	No	Yes	No	No	349.213 Subd. 1.
Annual or initial gambling Investigation Fees	Yes	No	Yes	No	No	349.16 Subd. 8.
Businesses						
Tear Gas & Stun Gun Sales	Yes	No	No	No	No	624.731.
Pawn Brokers License	Yes	No	No	No	No	325J.02.
Small Vehicle Passenger Service including vehicles used for nonemergency medical care, pedicabs, rickshaws, or other similar vehicles	Yes	No	No	No	No	221.091. 412.221, subd. 20.
Massage Parlor license	Yes	No	No	No	No	412.221 Subd. 23.

Type of Fee	Establish by ordinance?	Establish by resolution?	Fee set or limited by state law?	Hearing required?	Notice required?	Statute or rule reference
Solid waste collection license	Yes	No	No	No	No	115A.93, subd. 1; 412.221, subd. 22.
Utilities						
Gas/Electricity User Rates	Yes	No	Yes	No	No	453.57.
Water User Rates, Connection and Availability Charges	Yes	No	Yes	No	No	444.075 Subd. 3a.
Sanitary Sewer Rates	Yes	No	Yes	No	No	444.075 Subd. 3a.
Storm Sewer Rates	Yes	No	Yes	No	No	444.075 Subd. 3b.
Zoning & Building						
Zoning Fees	Yes	Yes, if revenues less than \$5,000.00 per year & ordinance sets a fee schedule.	Yes, must be reasonable & proportionate to services rendered.	Yes	Yes	462.353.
Building Permits & Inspections	Yes	No	Yes, must be reasonable & proportionate.	No	No	Minn. Building Code 1300.0160 subp. 2 – 6.
Park Dedication Fees	Yes	No	Yes	No	No	462.358.