



# City Of Burnsville

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**FOR IMMEDIATE RELEASE**

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## **BURNSVILLE CITY COUNCIL CONSIDERS IMPLEMENTING GAS, ELECTRIC FRANCHISE FEES**

The Burnsville City Council is considering establishing franchise fees on utilities (gas and electric) to help offset future property tax/special assessment increases. City staff met with Burnsville's four utility companies – Xcel Energy, Dakota Electric Association, Minnesota Valley Electric Cooperative and CenterPoint Energy – in December to discuss the feasibility of implementing these new fees.

Under Minnesota Statute, cities can impose a fee on utility companies that use the public rights-of-way to deliver service. Generally, franchise fees are structured in one of two ways – a flat rate per utility account OR a percentage of consumption used by each utility account.

Currently, the City is focusing its discussions on the “flat rate” option. The current proposal is a \$1 per month, per account fee for residential gas and electric bills. Fee amounts for commercial customers are still being determined.

Utility companies have the right to pass this fee on to their customers. If implemented, utility customers would likely see an increase on their utility bills noted as a “City fee” later in 2016.

Utility franchise fees are a method for the City to help cover increasing costs of providing important services – such as police, fire and public works – without raising property taxes. Many cities in Minnesota already use utility franchise fees to help offset these rising costs.

While no public hearing is required for implementing utility franchise fees, the City still wants to provide residents the opportunity express their comments, questions and concerns.

For more information or to provide comments on the proposed utility franchise fees visit [www.burnsville.org/utilityfranchise](http://www.burnsville.org/utilityfranchise). Residents may also send comments or suggestions to Finance Director Kelly Strey at [Kelly.Strey@burnsvillemn.gov](mailto:Kelly.Strey@burnsvillemn.gov) or 952-895-4493.

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