



## ***INCORPORATED COUNTY OF LOS ALAMOS ADMINISTRATIVE PROCEDURE GUIDELINE***

Index No. 0426

June 21, 1993

### **USER FEES**

#### **1. Background**

Due to shrinking budgets, increased demand for government services, new mandates, inflation, and changing customer needs, County user fees and charges must be addressed and reviewed in a regular systematic way. While some fee structures are regularly reviewed, others have never been adjusted. This makes it difficult for the County to continue to subsidize services to meet the needs of the community.

#### **2. Purpose**

To provide a policy that will outline the general approach to be used in reviewing existing fees and setting new fees for services provided by the County, that will ensure a fee structure which is appropriate, legal, fair, and consistently applied.

#### **3. Definitions**

*User fees* are broadly defined as a charge to consumers in direct exchange for specific government goods or services.

A *fee structure* is more complex than a simple fee, and might include different fees for different individuals, groups, and/or usage.

A *service*, as used in this policy may include services, activities, goods, and the use of facilities.

A *recovery rate* is the percentage of cost of providing a service which is covered by fees.

A *subsidy* is the amount of the cost of providing a service which is not covered by fees and must be provided by County funds.

#### **4. General Procedures**

- Each department and enterprise fund will develop a Department User Fee Policy to address the unique requirements of its customers. The policies should include a recovery (%) for each service.

- Each department and enterprise fund will review existing fees and potential new fees prior to the annual budget process. Fee recommendations, projected revenues, and subsidy amounts will be included within the annual budget process, beginning with the FY95 Budget.

5. Goals of User Fees

- User fees should not discourage use of services provided by the County.
- User fees should consider needs of certain individuals and groups.
- User fees should allow access to all services by residents of Los Alamos County.

6. Situations When User Fees Are Appropriate

- The cost of the service is expensive.
- A fee would expand activities for all people, at the least possible cost to the majority of citizens.
- The service is utilized by a limited number of individuals or special interest groups of a private character.
- Public property is used for private, economic gain.
- A fee would serve an independent function such as rationing limited services of facilities among a larger number of users.
- A fee would produce profits that can be used to expand the service or cover the cost of the service.
- The public demands more services but is unwilling to increase taxes to pay for them.
- A fee is legally mandated or required.

Prepared by: County Administrator's Office and approved by County Council on June 21, 1993.