

7512.1200 SURCHARGE.

Subpart 1. **Surcharge fee.** A fire protection contractor shall pay a surcharge fee on all fire protection-related work performed by the contractor. The amount of the surcharge fee must be the actual cost of the labor and components of the fire protection system multiplied by .002. The contractor shall pay the surcharge fee to the commissioner.

Subp. 2. **Fee payment schedule.** The contractor shall pay the surcharge fee as follows:

A. If a bid is required for the project, the contractor shall pay the surcharge fee before starting the project. The amount of the fee must be based on the amount of the bid. If the actual cost of the fire protection system is greater than the amount of the bid, the contractor shall pay an additional surcharge fee prior to the final acceptance test of the fire protection system. The amount of the fee must be based on the difference between the actual cost of the fire protection system and the amount of the bid.

B. If a bid is not required for the project, the contractor shall pay the surcharge fee prior to the final acceptance test of the fire protection system. The amount of the fee must be based on the actual cost of the fire protection system.

Subp. 3. **Surcharge fee account.** A contractor may prepay surcharge fees to the commissioner. The commissioner shall hold any prepaid fees in an account in the contractor's name and shall use the account only for surcharge fees on fire protection systems by the contractor.

Statutory Authority: *MS s 299M.04*

History: *18 SR 1870*

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