March 11, 2020

Re: Preemption of city authority to charge building permit fees

Dear Members of the House Labor Committee:

The League of Minnesota Cities, Coalition of Greater Minnesota Cities, Minnesota Association of Small Cities, Metro Cities, and Municipal Legislative Commission respectfully ask that members oppose efforts preempting city authority to set building permit fees to adequately recover city inspection-related costs.

HF 4019 would base building permit fees on a building’s square footage instead of its construction value (the estimated cost of labor and materials). Instead of each city determining how much it needs to cover their building inspection expenses given unique circumstances in its community, the bill prohibits any city from collecting anything more than thresholds established by the Department of Labor and Industry (DLI) for residential construction.

This is particularly a problem from smaller cities because they don’t have in-house building officials; instead they contract for building inspection services. These smaller cities do not control what they are charged for building inspections.

Additionally, basing permitting and inspection fees on a cost per square foot oversimplifies the review and inspection process by treating all residential construction the same regardless of its complexity. Capping what cities can collect in building permit fees doesn’t account for the soil type underneath a home, the number of bathrooms, whether a home is automated (aka smart homes), etc. Ensuring building code compliance for these different aspects of residential construction should be accounted for when collecting building permit fees.

HF 4019 also includes concerningly broad language in the independent contractor whistleblower provision. There are vague terms that would be ripe for litigation, such as whether differing interpretations on code enforcement would be a “violation” and what “publicly reports” means.

Please join us in preserving city authority to adequately recover city inspection-related costs and oppose the preemption found in HF 4019.

Sincerely,

Irene Kao
League of Minnesota Cities

Bradley Peterson
Coalition of Greater Minnesota Cities

Cap O’Rourke
Minnesota Association of Small Cities

Patricia Nauman
Metro Cities

Tom Poul
Municipal Legislative Commission