

Square Footage-Based Building Permit Fees

SF 801 (Koran)/ HF 1085 (Stephenson)

Bill Description

Under current Minnesota law, residential building permits are based on the permitted value of a project. The valuation method of setting permit fees has proven to be problematic on several levels. A review of more than 1,500 building permits from 2019-2021 reveals that new home valuation is inconsistent across Minnesota. SF 801/ HF 1085 would require residential permit fees to be based on square footage.

Like all regulatory requirements and fees – *building permit fees are all paid for by homeowners in the price of their new home.*

Wide Disparities In Accepted Valuation

Permit valuation, determined by a municipal building official, is defined in statute as the “total value of all construction work, including materials and labor, for which the permit is being issued.” This is not to include the land cost or the value of non-construction improvements. However, substantial valuation variations and large permit fee surpluses in many growing cities reveal structural problems with valuation-based permitting. There is simply no rationale for the wide disparities in accepted valuation.

Home size and features, not arbitrary valuation, is the number one factor in how long inspections will take. SF 801/HF 1085 would end this inexact method of establishing costs and ensure that homeowners are charged fees that are fair, reasonable and proportionate to the costs to perform these inspections.

Building Permit Facts ¹

Valuation Increased Nearly Every Time

A review of issued building permits and applications from 2019-2021 show that **nearly 94% of the time**, a local building official increases the valuation.

Valuation Increased As High As 2X Value

Residential new home permit valuation change figures range from -1.8% **to as high as 123%**, more than double the submitted valuation.

Size Of Changes Increasing Rapidly

The average change rate observed in 2019 was 26.8% and 34.5 % in 2020. In 2021, the average valuation increase so far has **grown to 35.1%**.

Valuation Changes Increase Costs

The same house by the same builder with a builder construction valuation of approximately \$185,000 has different accepted valuations across the Twin Cities region, varying between \$208,000 and \$377,549:

Example:

	Builder Value	City Value	Valuation Increase	Permit Fee Increase
Lakeville	\$ 184,500	\$208,000	+ \$23,500 (+12%)	+ \$176.25 (+9.02%)
Shakopee	\$ 185,041	\$377,459	+ \$192,418 (+103.98%)	+1,443.14 (+65.59%)

¹ Source: Housing First Minnesota Review of Building Permit Submissions and Issued Permits, 2019-2021



BUILDING PERMIT APPLICATION

City Hall (952) 466-2064
Inspections (763) 479-1720
Inspections Fax (763) 479-3090

Permit No. [REDACTED]
Date Issued: [REDACTED]

CONTRACTOR'S LICENSE NO. [REDACTED]		DATE [REDACTED]
SITE ADDRESS [REDACTED]		ZIP CODE 55322
LEGAL DESCRIPTION LOT [REDACTED] BLOCK [REDACTED] ADDITION [REDACTED] PARCEL NUMBER [REDACTED]		
OWNER (Name) (Address) (Tel. No.) [REDACTED]		
ARCHITECT (Name) (Address) (Tel. No.) [REDACTED]		
BUILDER (Name) (Address) (Tel. No.) [REDACTED]		
TYPE OF WORK Fireplace <input type="checkbox"/> Septic <input type="checkbox"/> Heating <input type="checkbox"/> Plumbing <input type="checkbox"/> Reroofing <input type="checkbox"/> New Construction <input checked="" type="checkbox"/> Alterations <input type="checkbox"/> Addition <input type="checkbox"/> Finish Basement <input type="checkbox"/> Residing <input type="checkbox"/> Deck <input type="checkbox"/> Porch <input type="checkbox"/> Garage <input type="checkbox"/> Chimney <input type="checkbox"/> Misc. \$342,973		
SIZE OF STRUCTURE (Height) 36 (Width) 46 (Depth) 54	NO. OF STORIES 2	ESTIMATED VALUE \$300,000
COMPLETION DATE [REDACTED]	PROPERTY DIMENSION Width 139.90 Depth 309.89	NO. OF FAMILIES (if applicable) Single Family Home
PROPOSED ELEVATION IN RELATION TO CURB OR WATERWAY. 955.9 ELEV.	PROPERTY AREA OR ACRES Sq. Ft. 27,522	CULVERT SIZE Yes No
FRONT YARD set back from road property Ft. 30.5	REAR YARD set back Ft. 190.5	SIDE YARDS set back 7.6 Right Sid. 13.9 Left Sid.
MISCELLANEOUS		
SPECIAL CONDITIONS It is my responsibility to locate and establish the elevations if needed of all site improvements. Required adjustments at my expense.		

FEES	
PERMIT:	2575.71
PLAN CHECK:	1725.73
INVESTIGATION:	
SITE:	
FIREPLACE:	70.00 /SC 1.00
MECHANICAL:	210.00 /SC 1.00
GAS FITTING:	/SC
PLUMBING:	126.00 /SC 1.00
TRAIL:	
TRANSPORTATION:	735.00
EROSION CONTROL:	30.00
WATER/SEWER PERMIT:	130.00
WATER METER:	350.00
WATER HOOKUP:	140.00
SEWER HOOKUP:	140.00
WATER TRUNK:	4000.00
SEWER TRUNK:	3250.00
OTHERS:	
CONTRACTORS LICENSE:	
SURCHARGE:	171.50
TOTAL FEES:	13,656.94

CODE ANALYSIS	
TYPE OF CONST.	V-B
USE OF BLDG.	SFD
OCCUPANCY GROUP	IRC-1
OCCUPANCY LOAD	

ZONING DISTRICT

VARIANCE GRANTED, DATE

MATERIAL FILED W/APPLICATION

SOILS REPORT	<input type="checkbox"/> Borings
	<input type="checkbox"/> Percolation
	<input type="checkbox"/> Compaction Tests
PLANS AND SPECS. X	Sets 2
SURVEY X	Copies 2
ENERGY CALCULATIONS X	
PILING LOGS	

FIRE SPRINKLERS REQUIRED

☐ YES ☒ NO

SPECIAL APPROVALS

ZONINGS	
FIRE DEPT.	
HEALTH DEPT.	
PUBLIC WORKS	
COUNTY	
OTHER	

CERTIFICATE OF OCCUPANCY ISSUED

DATE BY

ACKNOWLEDGMENT AND SIGNATURE:

The undersigned hereby agrees that all work and materials used shall comply with City approved plans and specification, MN Building Code, MN Fire Code and all City Ordinances. I agree that all fees and expenses incurred by the City in processing this application, including professional service costs, are the responsibility of the permit applicant and property owner and must be paid immediately upon receipt of permit, or the City may approve a special assessment to be 100% paid in the year assessed. The property owner hereby waives any and all appeals provided by MN Statutes 429.081 as amended. All fees and expenses are due whether the permit application is approved or denied.

APPROVED BY BUILDING INSPECTOR

CITY OF DAYTON
12260 S DIAMOND LAKE ROAD
DAYTON, MN 55327-9655
(763) 427-4589 FAX: (763) 427-3708

ISSUED:

PRINTED WITHOUT ISSUING /2019

Permit #:

ADDRESS :
PIN :
LEGAL DESC :
PERMIT TYPE :
PROPERTY TYPE : SINGLE FAMILY DETACHED
CONSTRUCTION TYPE : NEW CONSTRUCTION
VALUATION : \$ 287,000.00

NOTE: PLEASE CALL METRO WEST INSPECTION SERVICES AT (763) 479-1720 FOR INSPECTIONS. ALLOW 24-HOUR NOTICE.
PERMITS MUST BE POSTED ON SITE AT ALL TIMES, VISIBLE FROM THE STREET, AND AVAILABLE FOR INSPECTOR.
NO CO ISSUED UNTIL MXU IS INSTALLED BY DAYTON PUBLIC WORKS (763) 427-3224

****Permits expire six months after issuance****

****All permits are non-transferable and non-refundable.****

CITY SAC UNITS	1	CITY WAC UNITS	1
NUMBER OF MECHANICAL FIXTURES	3	NUMBER OF PLUMBING FIXTURES	17
METRO SAC UNITS	1	WATER METER	1

APPLICANT

★ BUILDING PERMIT FEE	2,040.95
★ PLAN REVIEW FEE	1,326.62
★ STATE SURCHARGE, BLDG VALU	143.50
SAC, METRO	2,485.00
WAC, CITY	2,912.00
SAC, CITY	733.00
WATER METER	326.64
PLUMBING PERMIT FEE, RESI	146.00
STATE SURCHARGE, PLBG FLAT	1.00
MECHANICAL PERMIT FEE, RESI	183.00
STATE SURCHARGE, MECH FLAT	1.00
ESCROW SITE REVIEW	3,000.00
TOTAL	13,298.71
TOTAL PAID	0.00
DUE	13,298.71

OWNER

AGREEMENT AND SWORN STATEMENT

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

Applicant Signature

City of Dayton - Authorized Signature

This permit becomes null and void if work is not commenced within 180 days. Or if work is suspended for a period of 180 days at any time after work is commenced.

Housing First Minnesota Note:

The original submitted value to this permit was \$255,354, and was increased \$ 31,646.

Result: Building Permit Fee increased by \$179.20, Plan Review by \$116.48, and the State Surcharge by \$15.82 for a total of **\$311.50.**