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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4271

03/14/2022

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The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act

1.2 relating to local government; increasing the threshold for municipal reporting of

1.3 construction-related and development-related fee collections; requiring the

1.4 commissioner of labor and industry to establish a cost per square foot valuation

1.5 of certain properties for the purpose of setting municipal building permit fees;

1.6 amending Minnesota Statutes 2020, sections 326B.145; 326B.153, by adding a

1.7 subdivision.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2020, section 326B.145, is amended to read:

1.10 **326B.145 ANNUAL REPORT.**

1.11 (a) Each municipality shall annually report by June 30 to the department, in a format

1.12 prescribed by the department, all construction and development-related fees collected by

1.13 the municipality from developers, builders, and subcontractors if the cumulative fees collected

1.14 exceeded ~~\$5,000~~ \$7,000 in the reporting year, except that, for reports due June 30, 2009,

1.15 to June 30, 2013, the reporting threshold is \$10,000.

1.16 (b) The report must include:

1.17 (1) the number and valuation of units for which fees were paid;

1.18 (2) the amount of building permit fees, plan review fees, administrative fees, engineering

1.19 fees, infrastructure fees, and other construction and development-related fees; and

1.20 (3) the expenses associated with the municipal activities for which fees were collected.

1.21 (c) A municipality that fails to report to the department in accordance with this section

1.22 is subject to the remedies provided by section 326B.082.

2.1 Sec. 2. Minnesota Statutes 2020, section 326B.153, is amended by adding a subdivision
2.2 to read:

2.3 Subd. 5. **Valuation.** The commissioner shall establish a cost per square foot valuation
2.4 of new one-family and two-family, townhouse, and accessory utility buildings for the purpose
2.5 of setting building permit fees by municipalities.