



MINNESOTA ENVIRONMENTAL CONTRACTORS  
ASSOCIATION

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April 8, 2025

Honorable Chair Melissa H. Wiklund  
Minnesota Senate Health and Human Services Committee

via email: Committee Administrator Anna Burke [anna.burke@mnsenate.gov](mailto:anna.burke@mnsenate.gov)

**RE: SF2669 – Concerns, Asbestos Permit Fee Increases (A-6, Sec.61)**

Chair Wiklund & Committee Members:

I write on behalf of the Minnesota Environmental Contractors Association to express our strong opposition to the proposed asbestos project permit fee increases outlined in Senate File 2669 (A-6, Sec. 61, Line 41.28).

The Minnesota Environmental Contractors Association (MECA) represents the interests of union-signatory asbestos abatement contractors in the state of Minnesota. MECA members consistently perform approximately 90% of all permitted commercial asbestos abatement work annually within the state based on permit fee data from the Minnesota Department of Health (the Department).

MECA is concerned that the proposed fee increases would have a negative impact on our industry. MECA's concerns are based on the following points:

1. **Substantial Increase Over a Short Period:** The proposal in SF2669 would triple commercial asbestos abatement permit fees over a five-year period.

Minnesota increased the fee for a commercial asbestos abatement project from 1% of project costs to 2% in 2021—a change MECA did not oppose, despite it doubling the cost of asbestos project permits in Minnesota. The current proposal would impose an additional 50% increase, resulting in fees that are three times higher than those charged only five years ago.

2. **Percentage-Based Fees Already Reflect Inflation:** Because asbestos permit fees are calculated as a percentage of project costs, they naturally rise with inflation as project costs increase. Thus, the Department's asbestos permit fee structure

already accounts for inflationary pressures, and additional increases are unwarranted.

3. **Lack of Supporting Data on Rising Costs:** MECA first learned of this proposal in the Governor’s budget recommendations. The Governor’s recommendations state, “The Legislature increased fees for asbestos abatement credentials and permit fees in 2021 but revenues have not kept pace with the operating expenses and additional funds are needed to maintain the current level of service to protect the public from asbestos exposure.” (See page 65, <https://mn.gov/mmb-stat/documents/budget/2026-27-biennial-budget-books/governors-recommendations-january/health.pdf>). MECA is unaware of any data to support this assertion.

There is a direct relationship between asbestos permit fee revenues and the volume of asbestos abatement work that is performed in Minnesota. There is also a direct relationship between the cost of an asbestos abatement permit and the cost of an asbestos abatement project. Because fee calculation for commercial asbestos abatement project permits doubled just four years ago, and because project permit fees continue to rise with project costs, it is difficult to understand how revenues have not kept pace with operating expenses within the Department’s Asbestos Unit.

Finally, the Governor’s budget recommendations state, “The proposal adds one staff position to work across the asbestos and lead compliance programs to perform data analysis, communications, and stakeholder outreach. Program inspectors currently perform these activities, but a dedicated position would permit technical staff to conduct more field inspections.” This statement clearly indicates that the proposal is aimed not just at maintaining the Department’s current levels of asbestos unit activity but also seeks to increase it.

4. **Declining Asbestos Presence:** The amount of asbestos in Minnesota’s building stock declines with every abatement project. In this context, MECA sees no justification for expanding the Department’s asbestos program. A shrinking risk environment should not call for increased asbestos unit activity and expenditures.
5. **Risk of Encouraging Unpermitted Work:** MECA is concerned that increased permit fees may discourage homeowners, building owners and contractors from pursuing permitted asbestos abatement projects. Minnesota homeowners are allowed by law to perform asbestos abatement work on their own homes without a permit. Asbestos is sometimes also removed unlawfully by unscrupulous contractors and commercial building owners without a permit. By adding cost, the proposed

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increase may inadvertently incentivize unpermitted work, undermining the Department's goals of public protection and environmental safety. The current fee structure supports a well-regulated and professional asbestos abatement industry in Minnesota, and we urge the Department to avoid actions that could destabilize that market.

In summary, MECA urges the Committee to reject this fee increase because it is excessive, lacks clear justification, and may undermine public safety by discouraging permitted work. The Department's existing structure already accounts for inflation and provides effective oversight without deterring compliance.

MECA has enjoyed a positive and productive relationship with the Department for many years. Our organization regularly meets with Department representatives to discuss industry issues and expressed these same concerns to the Department. It is our position that the Department has done an excellent job of regulating the asbestos abatement industry and continues to do so under the current asbestos abatement permit fee structures.

MECA appreciates the Committee's willingness to hear stakeholder concerns. Thank you for your consideration.

Sincerely,



John Nesse  
Executive Director

Minnesota Environmental Contactors Association