

MLC Cities

Apple Valley
Bloomington
Burnsville
Chanhassen
Eagan
Eden Prairie
Edina
Golden Valley
Inver Grove Heights
Lakeville
Maple Grove
Minnetonka
Plymouth
Prior Lake
Rosemount
Shakopee
Shoreview
Woodbury

January 29, 2025

Dear Members of the Senate Labor Committee:

The Municipal Legislative Commission (MLC) respectfully urges you to oppose SF 560 as amended by the delete-all amendment scs0560a-1. This proposal seeks to modify the permitting and inspection process by basing fees on a specific hourly rate for plan reviews and a flat cost-per-trip basis plus mileage for inspections and reinspections. While we understand the intent behind this proposal, we are concerned about the administrative burden it would impose on cities.

For example, the City of Prior Lake issued 2,239 permits in 2024. Those permits required varying numbers of inspections depending on the type of project. The city could easily have over 10,000 different inspections associated with those permits in a given year. The proposed system would require cities to track staff time for each plan review and inspection which would be excessively cumbersome and inefficient. In addition, basing inspection fees on a flat cost-per-trip with mileage oversimplifies the inspection process and treats residential buildings exactly the same regardless of their complexity. A more complicated residential project necessitates plan review and inspection fees that match the work performed by the city.

Cities are already required to demonstrate that what they charge for building permit fees is commensurate with the staff time involved. The current system of basing permit fees on project valuation effectively differentiates between simple and complex projects. This approach ensures that more complicated projects, which require more time and resources, are charged accordingly.

While we understand what the authors are trying to accomplish, MLC believes the proposed changes would add an unnecessary administrative burden without achieving significant benefits. We strongly believe the existing valuation-based methodology for building permit fees most accurately captures the scope and complexity of residential construction projects.

We urge you to maintain the current valuation-based system and preserve city authority to recover the costs associated with ensuring the health, welfare, and safety of our residents. Thank you for considering these concerns.

Sincerely,



James Hovland
Chair, MLC
Mayor, City of Edina