

## CCAC Review and Comment

### Legislative and/or Code Information

#### Bill number(s) description (if applicable) – Attach Bill language

2SS-CG001-3, Article 12 Annual Report

#### 326B.145 ANNUAL REPORT

(a) Each municipality shall annually report by June 30 to the department, in a format prescribed by the department, all construction and development-related fees collected by the municipality from developers, builders, and subcontractors if the cumulative fees collected exceeded ~~\$5,000~~ \$7,000 in the reporting year, ~~except that, for reports due June 30, 2009, to June 30, 2013, the reporting threshold is \$10,000.~~

(b) The report must include:

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

(2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; and

(3) the expenses associated with the municipal activities for which fees were collected, including a separate listing of costs associated with conducting inspections for each of the following categories:

(i) labor;

(ii) transportation;

(iv) any other expenses incurred by the municipality as a result of conducting inspections.

(c) A municipality that collects \$7,000 or less in a reporting year from all construction and development-related fees shall report that the municipality collected \$7,000 or less in the reporting year by indicating as such on a form provided by the department.

(d) In developing the form for reporting, the department must include a list of common definitions for all categories of construction and development-related fees collected by municipalities. A municipality that collects a fee not included in the common list of definitions must report the fee as "other" and provide an explanation of the fee.

(e) A municipality that fails to report to the department in accordance with this section is subject to the remedies provided by section 326B.082.

#### Subject/Building Code Section(s)

Building Code Administration  
Minnesota Statute 326B.145

## Technical Advisory Group (TAG)

TAG Formed  Yes  No

Title of TAG: Building Code Series 1 TAG

**TAG Members**

Scott McKown  
Irene Kao  
Charlie Vander Aarde  
Nick Erickson  
Brian Hoffman  
Kurt Welker  
Karen Gridley  
Barry Greive  
Simona Fischer  
John Smith  
Ken Hinz

**Affiliations/Representing**

MN DLI/CCLD; Assistant Director  
League of Minnesota Cities  
Metro Cities  
Housing First Minnesota  
City of St. Louis Park; Association of MN Building Officials  
Welker Custom Homes; Builders Association of MN  
MN DLI/CCLD; Accessibility Specialist  
Target Corporation; Building Owners  
MSR Design; MN American Institute of Architects  
Michaud Cooley Erickson; Building Systems Design and Engineering Practices  
CBS Construction Services, Inc; Contractors

**TAG Meeting Date(s)**

11/9/2021; 11/23/2021; 12/7/2021; 12/21/21

TAG Comments/Recommendations – Attachment  Yes  No

1. The TAG members support raising the reporting fee threshold to \$7,000.
2. The proposed reporting requirements are similar to those in the current [annual report form](#) which requires municipalities to report expenses for employee salaries and benefits, transportation, office space, supplies and equipment, and administrative overhead associated with building code enforcement. TAG consensus is that the proposed language will result in municipalities reporting the same information as they do currently and as such, is not needed.
3. Some TAG members and legislators had concerns that the current annual report form does not provide for sufficient breakdown of fees and expenditures for infrastructure and park dedication. Additional detail is needed related to amounts collected and expended on trail dedication, streets, and sewers. The form can be revised administratively to include additional detail without any changes to statutory language. DLI and the League of Minnesota Cities will continue to work with stakeholders to capture this additional information.

**Suggested language as follows:**

**326B.145 ANNUAL REPORT.**

Each municipality shall annually report by June 30 to the department, in a format prescribed by the department, all construction and development-related fees collected by the municipality from developers, builders, and subcontractors if the cumulative fees collected exceeded ~~\$5,000~~ \$7,000 in the reporting year, ~~except that, for reports due June 30, 2009, to June 30, 2013, the reporting threshold is \$10,000.~~ The report must include:

- (1) the number and valuation of units for which fees were paid;
- (2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; and
- (3) the expenses associated with the municipal activities for which fees were collected.

A municipality that fails to report to the department in accordance with this section is subject to the remedies provided by section [326B.082](#).

**Criteria Addressed (check all that apply)**

- Eliminating inconsistencies     Promoting coordination & consistency     Making rules easier to understand & apply  
 Streamlining construction regulation & construction procedures     Improving procedures within and among jurisdictions  
 Other:

**CCAC Comments & Recommendations**

A motion was made by Paradise, seconded by Smith, to approve the Technical Advisory Group Report on Changes to the Municipal reporting form. The roll call vote was unanimous with 18 votes in favor.

**Date of CCAC Meeting:**    January 20, 2022

**Prepared by/Name & Title**

Scott McLellan, Construction Codes Advisory Council Chair

**Date**

January 21, 2022