



STAFF REPORT

DATE: December 6, 2022
CONSENT

TO: City Council

From: John Taylor, Building Official

AGENDA ITEM: Approve Building Fee Refund Policy

REVIEWED BY: Kristina Handt, City Administrator

BACKGROUND:

The Building Department is requesting to add a Fee Refund Policy. This policy would bring Lake Elmo into compliance with MN Rules 1300.0160 Fees Subpart 9 that states all Municipalities shall establish a permit and plan review refund policy.

ISSUE BEFORE COUNCIL:

Should the City Council approve the Building Fee Refund Policy as submitted?

PROPOSAL DETAILS/ANALYSIS:

The City of Lake Elmo Building Department on occasions is asked to refund Fees that were paid for permits that were never started, paid upfront and denied for failing to meet City Codes or Ordinances or Applicant changed contractors. This would provide a clear and better understanding of the refund process and what can be refunded and when. With this approval the City would be in compliance with MN State Building Codes.

FISCAL IMPACT:

The cost of this would be relative to the cost of the permit. Some fees wouldn't be refundable.

OPTIONS:

- Approve the Building Fee Refund Policy
- Do not approve the Policy as written.

RECOMMENDATION:

If removed from the consent agenda:

Motion: "To approve the Building Fee Refund Fee Policy."

ATTACHMENTS:

- Refund Fee Policy
- Policy Example from Roseville



Building Permit Refund Policy

This policy shall govern the refunding of permit fees

Background (based upon the yearly fees resolution):

The Building Official may authorize the refunding of any permit fee paid which was erroneously paid or collected, or where no work authorized under the permit has begun.

Process:

- Refund requests must be; in writing; by the original applicant listed on the permit; submitted within 180 days of the issuance date of permit and fee payment.
- The Building Official may adjust the reimbursement amount, as the situation warrants.
- Upon the Building Official's discretion, a portion of the permit fee may be refunded within the 180 days period. Building Official shall state reason for Denial and or Refund.
- A refund request memo is drafted and then a Payment Voucher signed by the Building Official and the City Administrator is then submitted to the Finance Department for payment.
- A copy of the memo will be retained in the departmental file.
- The refund is to be sent only to the applicant listed on the original permit.
- The Building Official may authorize the refund to be sent to someone other than the original applicant, when based on applicant approval in writing or other demonstrated valid claim with documentation.
- The permit is voided in the permit software system with notes stating the reason.
- All permit applications shall state that the refund requests must be made within 180 days of permit issuance date.
- Applicants will have to contact the MN Department of Labor for Refund policy on Electrical Permits.

PERMIT REFUND AMOUNT TABLE

Permit Type	Fee Type	Amount of Refund
Building	Permit Fee Portion	80%, No refund for minimum fee permits (one inspection fee) or expired permits.
	Plan Review Fee Additional Plan Review Fees	0% (if plan review has been started or completed) 100% (if plan review not conducted)
	Other Building Fees	Fees that are Flat fees under \$300 shall not be refunded
	State Surcharge	100% (if not yet paid to State)
	SAC City Fees	100%
	Water Availability Charge	100%
	Driveway Fee	0%
	Those building projects that require only a Zoning Permit	0% Exception: Those permits that were denied by the City.
	Fence & Pool	0%
	Surface Water Review	100%
	Construction Escrow Admin Fee	0%
	Investigation Fees	0%
	Planning and Zoning Review	0%
	Escrow Deposit	100% (If not started yet)
Mechanical, Plumbing, Sewer, Water	Permit Fee	80%
	Investigation Fees	0%
	State Surcharge	100% (if not yet paid to State)
	Water Meter Sewer & Water	100% (If not installed)



Community Development Department

Memo

To: Janice Gundlach, Community Development Director
From: Dave Englund, Building Official
Date: January 21, 2020
Re: Policy for Permit Fee Refunds

This policy shall govern the refunding of permit fees

Background (based upon the yearly fees resolution):

The Building Official may authorize the refunding of any permit fee paid which was erroneously paid or collected, or where no work authorized under the permit has begun. This does not include Construction Deposits (see Construction Deposit Refund Policy).

Process:

- Refund requests must be; in writing; by the original applicant listed on the permit; submitted within 180 days of the issuance date of permit and fee payment.
- The Building Official may adjust the reimbursement amount, as the situation warrants.
- Upon the Building Official's discretion, a portion of the permit fee may be refunded within the 180 days period. (See table page 2)
- A refund request memo is drafted and signed by the Building Official and Community Development Director, and then submitted to the Finance Department for payment.
- A copy of the memo will be retained in the departmental file.
- The refund is to be sent only to the applicant listed on the original permit.
- The Building Official may authorize the refund to be sent to someone other than the original applicant, when based on applicant approval or other demonstrated valid claim.
- The permit is voided in the permit software system with notes stating the reason.
- All permit applications shall state that refund requests must be made within 180 days of permit issuance date.

PERMIT REFUND AMOUNT TABLE

Permit Type	Fee Type	Amount of Refund
Building	Permit Fee Portion	80%
	Plan Review Fee	0% (if plan review completed) 100% (if plan review not conducted)
	Fire Surcharge	100% (if not yet paid to Fire Department)
	State Surcharge	100% (if not yet paid to State)
	SAC Fees	100%
	SAC Administrative Fee	0% (if a request must be made to MCES) 100% (if not yet sent to MCES)
	Certificate of Occupancy	100%
	Lead and Age Research Fee	0%
	State License Verification Fee	0%
	Construction Deposit	100%
Mechanical, Plumbing, Sewer, Water	Permit Fee	80%
	State Surcharge	100% (if not yet paid to State)
	Water Meter	100%
Electrical	Permit Fee *Must be approved by contract inspector	No refund for minimum fee permits (one inspection fee) or expired permits. Amount of electrical refund is subject to the contract electrical inspector's approval. The City is to retain 20% of permit fee. *If refund request is within the same month as issued, the City may refund 80% or amount contract inspector approves. *If not in same month contract inspector processes all refund requests.
	State Surcharge	100% (if not yet paid to State)