

Building Permit Fee Prohibition Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Thomas W. Peterson

Senate Sponsor:

LONG TITLE**General Description:**

This bill amends provisions related to permitting fees.

Highlighted Provisions:

This bill:

- prevents a municipality or a county from imposing an inspection fee on certain entities in certain situations; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-9a-510, as last amended by Laws of Utah 2021, Chapter 35

17-27a-509, as last amended by Laws of Utah 2021, Chapter 35

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **10-9a-510** is amended to read:

10-9a-510 . Limit on fees -- Requirement to itemize fees -- Appeal of fee --

Provider of culinary or secondary water.

(1) A municipality may not impose or collect a fee for reviewing or approving the plans for a commercial or residential building that exceeds the lesser of:

- (a) the actual cost of performing the plan review; and
- (b) 65% of the amount the municipality charges for a building permit fee for that building.

(2) Subject to Subsection (1), a municipality may impose and collect only a nominal fee for reviewing and approving identical floor plans.

(3) A municipality may not impose or collect a hookup fee that exceeds the reasonable cost of installing and inspecting the pipe, line, meter, and appurtenance to connect to the municipal water, sewer, storm water, power, or other utility system.

(4)(a) As used in this Subsection (4), "governmental or quasi-governmental entity" means an entity, including an entity that a statute or local ordinance creates, that:

(i) has authority to levy or impose a tax, assessment, fee, or charge for public purposes; or

(ii) derives funding through other public revenue mechanisms.

(b) A municipality may not impose or collect:

~~[(a)] (i) a land use application fee that exceeds the reasonable cost of processing the application or issuing the permit;[-or]~~

~~[(b)] (ii) an inspection, regulation, or review fee that exceeds the reasonable cost of performing the inspection, regulation, or review[-] ; or~~

(iii) an inspection fee on a governmental or quasi-governmental entity that hires a qualified inspector to conduct inspections on new infrastructure.

(5)(a) If requested by an applicant who is charged a fee or an owner of residential property upon which a fee is imposed, the municipality shall provide an itemized fee statement that shows the calculation method for each fee.

(b) If an applicant who is charged a fee or an owner of residential property upon which a fee is imposed submits a request for an itemized fee statement no later than 30 days after the day on which the applicant or owner pays the fee, the municipality shall no later than 10 days after the day on which the request is received provide or commit to provide within a specific time:

(i) for each fee, any studies, reports, or methods relied upon by the municipality to create the calculation method described in Subsection (5)(a);

(ii) an accounting of each fee paid;

(iii) how each fee will be distributed; and

(iv) information on filing a fee appeal through the process described in Subsection (5)(c).

(c) A municipality shall establish a fee appeal process subject to an appeal authority described in Part 7, Appeal Authority and Variances, and district court review in accordance with Part 8, District Court Review, to determine whether a fee reflects only the reasonable estimated cost of:

(i) regulation;

- 65 (ii) processing an application;
- 66 (iii) issuing a permit; or
- 67 (iv) delivering the service for which the applicant or owner paid the fee.
- 68 (6) A municipality may not impose on or collect from a public agency any fee associated
- 69 with the public agency's development of its land other than:
- 70 (a) subject to Subsection (4), a fee for a development service that the public agency does
- 71 not itself provide;
- 72 (b) subject to Subsection (3), a hookup fee; and
- 73 (c) an impact fee for a public facility listed in Subsection 11-36a-102(17)(a), (b), (c), (d),
- 74 (e), or (g), subject to any applicable credit under Subsection 11-36a-402(2).
- 75 (7) A provider of culinary or secondary water that commits to provide a water service
- 76 required by a land use application process is subject to the following as if it were a
- 77 municipality:
- 78 (a) Subsections (5) and (6);
- 79 (b) Section 10-9a-508; and
- 80 (c) Section 10-9a-509.5.

81 Section 2. Section **17-27a-509** is amended to read:

82 **17-27a-509 . Limit on fees -- Requirement to itemize fees -- Appeal of fee --**

83 **Provider of culinary or secondary water.**

- 84 (1) A county may not impose or collect a fee for reviewing or approving the plans for a
- 85 commercial or residential building that exceeds the lesser of:
- 86 (a) the actual cost of performing the plan review; and
- 87 (b) 65% of the amount the county charges for a building permit fee for that building.
- 88 (2) Subject to Subsection (1), a county may impose and collect only a nominal fee for
- 89 reviewing and approving identical floor plans.
- 90 (3) A county may not impose or collect a hookup fee that exceeds the reasonable cost of
- 91 installing and inspecting the pipe, line, meter, or appurtenance to connect to the county
- 92 water, sewer, storm water, power, or other utility system.
- 93 (4)(a) As used in this Subsection (4), "governmental or quasi-governmental entity"
- 94 means the same as that term is defined in Subsection 10-9a-510(4)(a).
- 95 (b) A county may not impose or collect:
- 96 [(a)] (i) a land use application fee that exceeds the reasonable cost of processing the
- 97 application or issuing the permit;[-or]
- 98 [(b)] (ii) an inspection, regulation, or review fee that exceeds the reasonable cost of

- 99 performing the inspection, regulation, or review[.] ; or
100 (iii) an inspection fee on a governmental or quasi-governmental entity that hires a
101 qualified inspector to conduct inspections on new infrastructure.
- 102 (5)(a) If requested by an applicant who is charged a fee or an owner of residential
103 property upon which a fee is imposed, the county shall provide an itemized fee
104 statement that shows the calculation method for each fee.
- 105 (b) If an applicant who is charged a fee or an owner of residential property upon which a
106 fee is imposed submits a request for an itemized fee statement no later than 30 days
107 after the day on which the applicant or owner pays the fee, the county shall no later
108 than 10 days after the day on which the request is received provide or commit to
109 provide within a specific time:
- 110 (i) for each fee, any studies, reports, or methods relied upon by the county to create
111 the calculation method described in Subsection (5)(a);
112 (ii) an accounting of each fee paid;
113 (iii) how each fee will be distributed; and
114 (iv) information on filing a fee appeal through the process described in Subsection
115 (5)(c).
- 116 (c) A county shall establish a fee appeal process subject to an appeal authority described
117 in Part 7, Appeal Authority and Variances, and district court review in accordance
118 with Part 8, District Court Review, to determine whether a fee reflects only the
119 reasonable estimated cost of:
- 120 (i) regulation;
121 (ii) processing an application;
122 (iii) issuing a permit; or
123 (iv) delivering the service for which the applicant or owner paid the fee.
- 124 (6) A county may not impose on or collect from a public agency any fee associated with the
125 public agency's development of its land other than:
- 126 (a) subject to Subsection (4), a fee for a development service that the public agency does
127 not itself provide;
128 (b) subject to Subsection (3), a hookup fee; and
129 (c) an impact fee for a public facility listed in Subsection 11-36a-102(17)(a), (b), (c), (d),
130 (e), or (g), subject to any applicable credit under Subsection 11-36a-402(2).
- 131 (7) A provider of culinary or secondary water that commits to provide a water service
132 required by a land use application process is subject to the following as if it were a

133 county:
134 (a) Subsections (5) and (6);
135 (b) Section 17-27a-507; and
136 (c) Section 17-27a-509.5.
137 Section 3. **Effective Date.**
138 This bill takes effect on May 7, 2025.