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**Building Permit Fee Prohibition Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Thomas W. Peterson**

Senate Sponsor:

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**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

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*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.

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

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

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

38 (ii) derives funding through other public revenue mechanisms.

39 (b) A municipality may not impose or collect:

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

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

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

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

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

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

56 (ii) an accounting of each fee paid;

57 (iii) how each fee will be distributed; and

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

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

64 (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.