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Are Your Community's Fees Fair & Reasonable or Hidden Taxes on Housing?

New HBAM Guidebook Helps Local Officials and Housing Advocates Review Construction Permit Fees

Lansing, MI - Today the Home Builders Association of Michigan (HBAM) announced it has created a guidebook to help local government officials, and citizens concerned about escalating housing construction and repair costs, determine if fees in their community are fair, reasonable, and consistent with Michigan law.

"Housing has become a critical issue for virtually every governmental jurisdiction in the state," noted HBAM CEO Bob Filka in announcing the guidebook's release. "What many elected officials and other community leaders might not realize is how construction-related permit and tap-in fees can increase the cost of housing."

Permit fees help fund important inspection and permitting services, but Michigan law requires construction code fees to bear a reasonable relationship to the cost of providing those services. Recent Michigan court decisions have reinforced those requirements and demonstrated the consequences communities can face when fee structures do not comply.

"Improper fee structures can add thousands of dollars to housing costs when fees exceed the cost of providing the underlying service," Filka said. "Our goal is to help communities take a proactive look at how their fees are established before problems or disputes arise."

HBAM has successfully challenged unlawful fee structures in Michigan communities, resulting in changes to local practices and, in some cases, refunds of improperly collected fees. However, Filka said the association's preference is to help communities identify and address potential concerns voluntarily.

"We know most local governments want to provide necessary services responsibly and within the parameters of the law," Filka said. "This guidebook gives elected officials practical questions they can ask to better understand how their fees are being calculated and whether a review may be warranted."

The Fair & Responsible Permit Fees guidebook provides a series of questions elected leaders and citizens should be asking, as well as legal parameters officials should understand when reviewing their fee structures.

The guidebook is available at www.hbaofmichigan.com/fees.

The Home Builders Association of Michigan is a professional trade association comprised of 15 local homebuilder associations around the state and their 5,000 builder, subcontractor and supplier members. HBAM works to positively promote the building industry and impact legislative, regulatory and legal issues affecting housing attainability.

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