

Centra Homes LLC v. City of Norwood-Young America Minnesota Court of Appeals Ruling July 29, 2013

The Minnesota Court of Appeals issued its [decision](#) regarding whether Centra Homes LLC (Centra) may pursue the overcharging of the City of Norwood-Young America's (the City) building permit fees in District Court. The Court of Appeals disagreed with Centra's claim to pursue a district court trial, despite the fact the City had agreed to accept the fees in escrow under the statute that allows such trials to occur.

In 2012 Centra asserted the City's permit fees violated state law and were significantly higher than the permit valuations and actual costs. The City refused to reduce the permit fees and agreed to accept the disputed fees in escrow pursuant to the fee dispute mechanism in Minn. Stat. sec. 462. Centra pursued the case, requesting a trial in District Court. The City objected claiming that the dispute should be handled through administrative review.

After the District Court denied the City's motion to dismiss, the City appealed to the Court of Appeals stating District Court didn't have jurisdiction over these types of disputes. The Court of Appeals agreed. The Court of Appeals concluded that "because the city's building-permit fees are determinations made by the city building official relative to the application and interpretation of the state building code, [Centra is] required to exhaust their administrative remedies before seeking judicial review".

The options before Centra now are to either appeal to the Minnesota Supreme Court regarding whether the case can be tried in District Court or exhaust its administrative remedies by going through the Minnesota Department of Labor and Industry's Appeals Board. The least costly and most direct route to having some real answers regarding the City's permit valuation problem is through the DOLI Appeals Board, however, that route does not guarantee success nor does it guarantee a Court trial where the facts would clearly show the City's building permit fees are in excess of valuation and violate state law. Centra has 30 days to appeal to the Minnesota Supreme Court or otherwise submit a complaint with DOLI.

[Read the Court of Appeals' decision here.](#)