

Attachment A

Fiscal Impact Analysis – Proposed 2026 Building Department Fee Schedule

Purpose: The proposed fee schedule is intended to improve cost recovery for Building Department services while keeping permit costs proportional to the overall value of construction projects. Permit fees offset only a portion of the costs associated with administering permits, conducting inspections, maintaining records, enforcing the building code, and ensuring public safety.

Example Permit Fee Comparison

Project Type	Estimated Construction Value	Current Permit Fee (1%)	Proposed Permit Fee (2%)	Increase	Permit Cost as % of Project Cost
Deck / Porch	\$25,000	\$300	\$550	+\$250	2.2%
Kitchen Renovation	\$50,000	\$550	\$1,050	+\$500	2.1%
Residential Addition	\$100,000	\$1,050	\$2,050	+\$1,000	2.05%
New Single-Family Home	\$500,000	\$5,050	\$10,050	+\$5,000	2.01%
Commercial Building	\$2,000,000	\$20,100	\$40,100	+\$20,000	2.01%

Examples assume a \$50 residential application fee under the current schedule and proposed residential schedule. Commercial projects would include the proposed commercial application fee.

What Permit Fees Pay For: Every permit application involves significantly more than the issuance of a permit. Staff responsibilities include:

- Initial application review and customer assistance.
- Verification of zoning, setbacks, floodplain requirements, and local ordinance compliance.
- Review of construction documents for compliance with the adopted building, electrical, plumbing, mechanical, energy, and fire codes.
- Coordination with Planning, Conservation, Public Works, Fire Department, NH DES, FEMA, utility providers, and other reviewing agencies.
- Permit preparation, issuance, and digital record management.
- Multiple inspections during construction, including travel time, inspection documentation, and follow-up correspondence.
- Issuance of Certificates of Occupancy or project completion approvals.
- Re-inspections, enforcement activities, permit renewals, complaint investigations, and long-term document retention.

Why the Update Is Needed: Since the current fee schedule was established:

- Construction costs have increased substantially.
- Building codes have become more complex and require additional plan review.

- Electronic permitting, digital records management, and public records requests have increased administrative workload.
- State and federal regulatory requirements, including floodplain administration and septic review, require additional staff time.
- Customer expectations for timely permit review and inspections continue to grow.

Cost Recovery: Building permit fees are established to recover a portion of the Town's cost of providing regulatory services—not to generate excess revenue. Staff time devoted to plan review, inspections, code enforcement, and customer assistance has increased significantly over the past several years, while many fees have remained unchanged. The proposed fee schedule better aligns permit fees with the actual level of service provided and with comparable fee schedules used by neighboring municipalities and regional agencies.

Fiscal Benefit to the Town: Adoption of the proposed fee schedule is expected to:

- Improve recovery of staff and administrative costs associated with permitting and inspections.
- Reduce the subsidy of development review by the general taxpayer.
- Support timely permit review and inspection services as construction activity continues at historically high levels.
- Provide a fair, predictable, and transparent fee structure for applicants.
- Help ensure the Building Department remains financially sustainable while continuing to provide a high level of customer service and public safety.