

AGENDA ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
OCTOBER 16, 2019

Agenda Item:

Amend Fee Schedule to establish a reduced fee for contractors that hire a “private provider” for plan review and building inspections as specified by House Bill 7103 which was adopted by the legislature this past session and is now in effect. (Florida Statutes Section 553.791)

Action Requested:

Approve Resolution 2019-22 establishing a fee under the Community Development Fee Schedule, to allow reduced fees for private provider projects.

Description:

House Bill 7103 made numerous changes to Community Development-related functions. One of the sections of the Bill now contained in Florida Statutes Section 553.791, called “Alternative plans review and inspection” allows for reduced fees related to building permit requirements when hiring a private provider for plan review and building inspections. A private provider is a company that can conduct plan review and/or inspections for a project.

According to the Statute, the local jurisdiction must calculate the cost savings to a local enforcement agency, based on a property owner or contractors hiring of a private provider in lieu of the local building official, and reduce the permit fees accordingly. The Building Official is allowed to audit the private provider but is now limited to 4 times a year.

Because the legislation provides very limited guidance, staff has contacted other jurisdictions in this vicinity to see what they have adopted (see attached chart). Neighboring jurisdictions are still considering reductions or have implemented varying reductions ranging from nominal (\$5 per inspection in Collier County) to more sizeable (over 50% in Lee County). Jurisdictions with large building fee surpluses, or fees based on “value” instead of “square footage”, appear to be the ones offering even larger discounts. This is because the new legislation in F.S.

553.80(7) also contains restrictions on the amount of revenue from building fees that can be carried forward to future years, as fees are required by law to cover only the cost to enforce the Florida Building Code.

After reviewing what other jurisdictions are doing, and evaluating the Village's projected cost savings relative to the operating budget, the staff is recommending a 15% fee reduction for permit fees. This reduction is similar to the City of Naples, and also several cities on the east coast of Florida.

Note: This discount would not apply to fees for standalone trade permits, such as mechanical, electrical, plumbing, etc.

Financial Impact:

The financial impact depends on the number of projects that utilize a private provider. There will be a reduction of revenue, which should be monitored and reviewed annually.

Attachments:

1. Resolution 2019-22
2. Comparison Chart
3. Florida Statutes Section 553.791