



## Legislation Details (With Text)

**File #:** R-2020-137    **Version:** 1    **Name:** Establish Admin Fees per State Statute 553.791  
**Type:** Resolution    **Status:** Passed  
**File created:** 5/20/2020    **In control:** Department of Development Services  
**On agenda:** 6/17/2020    **Final action:** 6/17/2020  
**Title:** A Resolution Of The City Commission Of The City Of Hollywood, Florida, Amending Resolution No. R-2002-21 As Amended By Resolution No. R-2016-262 To Provide For The Addition Of An Administrative Fee When Owners And Contractors Hire A Private Provider For Plans Review And Building Inspection Services.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Reso to establish Admin Fees per State Statute 553.pdf, 2. State Statute 553-791

Date	Ver.	Action By	Action	Result
6/17/2020	1	Regular City Commission Meeting	adopt	Pass

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Amending Resolution No. R-2002-21 As Amended By Resolution No. R-2016-262 To Provide For The Addition Of An Administrative Fee When Owners And Contractors Hire A Private Provider For Plans Review And Building Inspection Services.

*Financial Management & Administration*

Staff Recommends: Approval of the Attached Resolution.

**Explanation:**

In its 2019 session, the State Legislature amended Section 553.791(2)(b) of Florida Statutes to prohibit local governments from charging fees for building inspections or plans review if the fee owner or contractor hires a private provider to supply building inspection or plans review services.

However, if local governments adopt an administrative fee, which is basically a discount applied to reduce the building inspection or plan review fee, taking into account cost savings the local government will experience by the fee owner or contractor utilizing a private provider for the services, then the administrative fee can be charged in lieu of the building inspection or plan review fee.

An analysis was performed using multiple cost allocation methodologies applied against each appropriation account of the building division budget to calculate the cost savings referenced

in the Statute. The results of the analysis show that the City should discount the building inspection permit fee by 40% and the plans review fee by 45% to reflect cost reductions the City will experience by a fee owner or contractor using private providers for those services.

This resolution creates the new administrative fees for building inspections and plans review for those instances when a fee owner or contractor elects to have those services performed by private providers, and the new fees will enable the City to obtain revenues to pay for the costs of the administrative and auditing portions of the services it will continue to perform as set forth in the Statute.

#### Fiscal Impact

State Statute 553.791(2)(b) was revised to prohibit the ability of the City to charge building inspection permit fees and plan review fees for those projects in which the fee owner or contractor elects to use private providers for those services. This resolution creates two new administrative fees, as provided for in the Statute. The creation and use of the fees will partially offset the loss of the revenue resulting from the prohibition set forth in the revised Statute by allowing the City to obtain revenues to pay for the costs of administrative and auditing services. The new fees are established based upon a calculation of the cost savings to the City of a fee owner or contractor hiring a private provider to perform the services in lieu of the local building official. The administrative fees are essentially a reduced permit fee based upon the calculations, all as set forth in the Statute. Fiscal impacts will be driven by the number and scale of the projects for which the private providers are used.

Recommended for inclusion on the agenda by:

Dean Decker, Chief Building Official

Shiv Newaldass, Director of Development Services

Gus Zambrano, Assistant City Manager for Sustainable Development

Adam Reichbach, Assistant City Manager for Finance and Administration