



FTA-PP-01: BUILDING INSPECTION FUNDS CARRYFORWARD

COMMITTEE RECOMMENDATION: ADOPT

PROPOSED POLICY: SUPPORT changes to the Florida Statute regarding building inspection funds, which has severely limited local government's ability to ensure they carry forward enough funds to cover pending inspections.

BACKGROUND: In 2019, Legislation was passed stating a local government may not carry forward an amount exceeding the average of its operating budget for enforcing the Florida Building Code for the previous 4 fiscal years. This portion of the bill does not account for unexpended funds (liabilities) a local government holds for the completion of inspections on permits issued beyond the fiscal year, i.e., if a permit takes multiple years to have all inspections completed.

ANALYSIS: Modifying Florida Statute 553.80(7)(a) to clarify the county's ability to carry forward funds associated with outstanding inspections at their discretion would alleviate this unnecessary burden.

To rebate and reduce building permit fees in cases such as this place local governments in a precarious position of having to use funds associated with open permits to complete inspections. This dollar amount can be significant and has rapidly grown in the last two years because of the upward economy. It is important to clarify that this amount can also be carried forward beyond just the average of the operating budget for the previous 4 fiscal years.

Suggested language change: Florida Statutes 553.80 Building Construction Standards Enforcement (7)(a) The governing bodies of local governments may provide a schedule of reasonable fees, as authorized by s. 125.56(2) or s. 166.222 and this section, for enforcing this part. These fees, and any fines or investment earnings related to the fees, shall be used solely for carrying out the local government's responsibilities in enforcing the Florida Building Code. When providing a schedule of reasonable fees, the total estimated annual revenue derived from fees, and the fines and investment earnings related to the fees, may not exceed the total estimated annual costs of allowable activities. Any unexpended balances shall be carried forward to future years for allowable activities or shall be refunded at the discretion of the local government. A local government may not carry forward an amount exceeding the average of its operating budget for enforcing the Florida Building Code for the previous 4 fiscal years. For purposes of this subsection, the term operating budget does not include reserve amounts nor funds set aside for the completion of inspections on issued permits. Any amount exceeding this limit must be used as authorized in subparagraph 2. However, a local government that established, as of January 1, 2019, a Building Inspections Fund Advisory Board consisting of five members from the construction stakeholder community and carries an unexpended balance



in excess of the average of its operating budget for the previous 4 fiscal years may continue to carry such excess funds forward upon the recommendation of the advisory board. The basis for a fee structure for allowable activities shall relate to the level of service provided by the local government and shall include consideration for refunding fees due to reduced services based on services provided as prescribed by s. 553.791, but not provided by the local government. Fees charged shall be consistently applied.

FAC STAFF NOTES:

- FAC 2022 Policy Conference
 - FTA-PP-01 was recommended for adoption by the committee.
- Bills:
 - [Ch. 2019-75](#), L.O.F. (Originally CS/CS/HB 447 – *Construction* by Rep. Diamond) amended [s. 553.80](#), F.S. – *Enforcement*.
 - Regarding local government balances in enforcing the Florida Building Code (F.B.C.), the bill prohibited a local government from carrying forward any unexpended balance exceeding the average operating budget of enforcing the F.B.C. for the prior four fiscal years.
 - Any amount that a local government is prohibited from carrying forward must be used to rebate and reduce inspection fees.
 - The bill excludes any funding reserves from calculation of the operating budget; without inclusion of liabilities such as unexpended reserve funding, the average four-year operating budget will be higher, allowing for greater carryforward by counties of unexpended balances
- Statutes:
 - [S. 553.72](#), F.S. – *Intent*
 - This section provides the statutory authority for local governments to conduct inspections of all buildings, structures, and facilities within their jurisdiction for compliance with the Florida Building Code

FISCAL IMPACT: Dependent on County.

SUBMITTING COUNTY AND CONTACT: Marion – Matthew Cretul
matthew.cretul@marionfl.org (352) 817-3139

ASSIGNED COMMITTEE: FTA

BOARD SUPPORT: Yes

UNFUNDED MANDATE: No

PROTECTIVE OF HOME RULE: N/A