



## LEGISLATIVE MEMORANDUM

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Scott Morgan, Interim City Manager

**THRU:** John Pearson, Chief Building Official

**DATE:** March 6, 2025

**RE:** Consideration of refunds and future rebates of certain building permit fees collected by the Building Department.

### **SUMMARY:**

Per Florida Statute 553.80(7)(a), 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. 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 four (4) fiscal years. Any unexpended balances must be carried forward to future years for allowable activities or must be refunded at the discretion of the local government.

Additionally, per Florida Statute 553.80(7)(a)(2), a local government must use any excess funds that it is prohibited from carrying forward to rebate and reduce fees, to upgrade technology hardware and software systems to enhance service delivery, to pay for the construction of a building or structure that houses a local government's building code enforcement agency, or training programs for building officials, inspectors, or plans examiners associated with the enforcement of the Florida Building Code.

### Building Permit Fee Refunds

By the end of Fiscal Year 2025, the Building Department anticipates an excess of unexpended funds in the Building Department Enterprise Fund, which must be refunded in accordance with Florida Statute. The City would issue a refund to contractors that used private providers for inspections or for inspections and plan review, as well as to contractors submitting permits under a master plan. The Building Department has obtained a list of all such permits and associated contractors eligible for refunds. The refund period includes the above-referenced permits between March 2022 to March 6, 2025. The Building Department will work in coordination with the Finance Department to issue refunds. The total amount of refunds estimated as of February 25, 2025 is

\$3,757,061.69. The final number will be adjusted to include any permits issued February 25, 2025, through March 6, 2025.

Building Permit Fee Rebates

The rebate portion of this program will be in effect from March 7, 2025 through September 30, 2025 (end of Fiscal Year 2025). During this time period, any permits issued, except those permits issued to contractors who elect to use a private provider for inspections or for inspections and plan review, will have the amount of the building permit fee and the building plan review fee reduced to \$0.00 at issuance of the building permit. All other fees, including fire permit fees and fire plan review fees, will be charged per the current fee schedule.

**REQUESTING DEPARTMENT:**

Building

**FISCAL IMPACT:**

Based on the current rate of building permit applications, the Building Department Enterprise Fund could see a reduction in revenue by approximately \$4,000,000 for the remainder of Fiscal Year 2025.

**STAFF RECOMMENDATION:**

Motion to 1) acknowledge the building permit fee refunds as stated above and 2) authorize the building permit rebates for the remainder of Fiscal Year 2025 as stated above.

**ATTACHMENT:**

1. Building Permit Fee Refund 3-6-22 to 3-6-25