



September 14, 2010

Florida Permit Surcharge Program

Florida Statute 553.721 and 468.631

The Building Officials Association of Florida, Inc. is pleased to provide you with the new guidelines for the Florida Permit Surcharge program, along with frequently asked questions to use as a tool in complying with the guidelines in your local jurisdictions.

The Building Officials Association of Florida (BOAF) Guidelines for implementing the portion of HB 663 related to the collection and remittance of the building permit surcharge is a guideline to assist permitting authorities in complying with the law. **This guideline is not intended as legal or accounting advice.** The fees collected by building departments may be subject to other or additional local, state and federal regulations, which may not be addressed in this guide. This guide is intended to provide guidance to municipalities and building departments seeking a basic understanding of recent 2010 Florida legislation related to building permit surcharges charged in conformance with Florida legislation and to be provided to the State of Florida. In all cases, it is recommended the Building Official seek guidance from and have discussions with their local attorney and finance director to ensure compliance with local, state and federal regulations.

Background:

The permit surcharge fee has been in place for many years. In the 1980s, a fee was established for investigating and protecting the public from radon. Radon is an odorless, colorless radioactive gas that can have an adverse effect on people. While many departments and people in the construction industry still refer to the permit surcharge as the radon fee, this fee was changed years ago to support the functions of State government related to construction. The fee is required by Florida Statutes to be collected for, in part to the Department of Community Affairs (DCA) to fund the Florida Building Commission and secondly, to fund the Building Code Administrators and Inspectors Board (BCAIB) and the Construction Industry Licensing Board (CILB) Homeowners Recovery Fund, both part of the Department of Business and Professional Regulation (DBPR). These two (2) parts of the overall fee are separate and distinct fees (DBPR and DCA) and must be remitted separately to the two different agencies using the proper method and format established by each.

During the 2010 legislative session, a proposal was made to better define the fee and make the collection process simpler. In the past, this fee was calculated as \$.01 per square foot of construction and the methods of calculation were different for each of the fees going to each of the different agencies. Extensive confusion regarding the collection and submission of these fees to fund these important functions existed and no standard appeared to exist. A new fee formula was created based on the amount of fees collected for the enforcement of the Florida Building Code (i.e.: permitting fees). The owner of a property desiring to perform, or have performed, work under the Florida Building Code is required to pay this fee to the agency issuing the building permit. The agency collecting these fees is then required to submit the fees to the appropriate State Department. Local agencies retain 10% of the funds collected and these funds MUST be used by that agency's personnel for the involvement in the processes or education related to the Florida Building Code, such as the Code change hearings at the State (FBC) or National (ICC) level.

It is important for the licensed Building Code Administrator to understand they are responsible for collecting and remitting these fees. In accordance with Florida Statute 468 and Board 61G19, licensed professionals are responsible for compliance with Florida statutes and regulations. It is the responsibility of the licensed person to ensure these regulations are complied with in a timely manner. If questions arise, contact with the appropriate department is suggested. The contact person at the Department of Community Affairs (DCA) is Barbara Bryant. The contact for the Department of Business and Professional Regulation (DBPR) is the call center. Each building department should have at least one person assigned to monitor and log in to the DCA website. It is important to know who this person is, communicate that information to DCA and also be aware of the login and password information in case it is needed when the individual is not available. When the person doing the filing is leaving that position, it is imperative to get the login information and update the information on the Building Code Information System (BCIS).

For those jurisdictions operating under inter-local agreements, each jurisdiction should be filed separately so the information is clear and maintained on a jurisdictional basis.

The Changes:

Effective October 1, 2010.

FS 468.631 Building Code Administrators and Inspectors Fund.

Several changes were made that will affect the way the surcharge is collected and how the funds are to be used.

1. The requirement for determining the surcharge has been change from a cost per square foot to a percentage of the permit fee. The percentage is **1.5 percent**, with a minimum charge of **\$2**.
2. The surcharge is to be charged on “all permits”. This includes electrical, plumbing, mechanical, gas, and roofing (or any other permits based on the regulations found in the Florida Building Code).
3. The fee is to be associated with fees related to enforcement of the Florida Building Code. If you have fees that are part of your building permit that are related to other issues, such as zoning, environmental, engineering, etc., the fee does not apply to them.
4. You are **required** to keep 10 percent of the surcharge that you collect for the specific purpose to “fund the participation of building departments in the national and state building **code adoption processes** and to provide **education** related to enforcement of the Florida Building Code”.
5. The effective date to start collecting surcharges under the new procedure is October 1, 2010. The first actual remittance using the new procedure will be December 31, 2010.
6. The fund generated for the State are now to be allocated equally to fund the Florida Homeowners' Construction Recovery Fund established by s. 489.140 and the functions of the Building Code Administrators and Inspectors Board.

Section 31. Effective October 1, 2010.

FS 553.721 Surcharge.

Several changes were made that will affect the way the surcharge is collected and how the funds are to be used. Most of these changes mirror the changes made to 468.631.

1. The requirement for determining the surcharge has been change from a cost per square foot to a percentage of the permit fee. The percentage is **1.5 percent**, with a minimum charge of **\$2**.
2. The surcharge is to be charged on “all permits”. This includes electrical, plumbing, mechanical, gas, and roofing. (or any other permits based on the regulations found in the Florida Building Codes)
3. The fee is to be associated with fees related to enforcement of the Florida Building Code. If you have fees that are part of your building permit that are related to other issues, such as zoning, environmental, engineering, etc., the fee does not apply to them.
4. You are required to keep 10 percent of the surcharge that you collect for the specific purpose to “fund the participation of building departments in the national and state building **code adoption processes** and to provide **education** related to enforcement of the Florida Building Code”.
5. The fees collected must be electronically remitted. This is not a change as DCA currently requires this process to be followed.
6. The effective date for collecting surcharges under the new procedure is October 1, 2010. The first actual remittance using the new procedure will be December 31, 2010.
7. The funds generated from this portion of the fee are to be used to fund the operations and duties of the Florida Building Commission and The Department of Community Affairs.

Impact and implementation of the specific changes:

The permit surcharge that recently passed has generated quite a bit of conversation and apparent confusion. Several important questions have come up and direction is needed to complete the guidelines. In summary, the new surcharge language states the following:

1. Every (construction related) permit issued is subject to the surcharge
2. The fees to be collected are based on a percentage of the permit fee
3. The minimum fee for each permit is \$4 (\$2 to DBPR and \$2 to DCA)
4. The fee is calculated at 3% of the permit fee, or the minimum charge
5. The fee is actually two (2) fees under two (2) different statutes
6. 1.5% of the permit fee, or a \$2 minimum goes to the Department of Business and Professional Regulation (DBPR) for the operation of the Building Code Administrators and Inspectors Board (BCAIB) and the Construction Industry Licensing Board (CILB) Homeowners Recovery Fund
7. 1.5% of the permit, or a minimum of \$2 goes to the Department of Community Affairs (DCA) for operation of the Florida Building Commission
8. Building departments are required to retain 10% of the funds collected
9. The funds retained are dedicated to building department education and involvement in the code development process
10. This change takes effect on October 1, 2010
11. Funds in account #322.0.0.0 are subject to the fee

These changes are part of 2010 legislation contained in house bill 663. The full text can be located here:

<http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=h0663er.docx&DocumentType=Bill&BillNumber=0663&Session=2010>. If you are interested in the history of the bill and the changes that were made, you may find this link interesting, it follows the progress as the bill went through the system:

<http://www.myfloridahouse.gov/Sections/Bills/billsdetail.aspx?BillId=43095&SessionId=64>.

While the legislation contains information on many items beyond the surcharge, this guide will concentrate on the permit surcharge. Most building departments use electronic processing for the calculation of permit fees. This change will need to be incorporated into the software prior to October 1, 2010. Questions have arisen as to the application of the fee. One such question centers on how permits are issued. For communities issuing a single permit for each project, the calculation seems fairly simple; calculate 3% of the fee. If that fee is less than \$4, the \$4 fee applies. This covers both of the State Departments, which at the time of filing the fee would be split and 10% retained for that permitting agency. Many finance departments may consider showing the fee as two (2) separate fees on the permit invoice. This may simplify accounting. Others may want to show it as a single charge for collection purposes. Either way, the fees must be filed with the State quarterly. In addition, each department has a different form and collection method. The submission to DBPR must file on their printed paper form and mailed with a check. The fee for DCA must be filed electronically and paid for with an electronic funds transfer or credit card. It is important to remember these are separate filings and handled differently.

A complication may occur when a local agency is issuing a master permit and each trade gets a “sub” permit. If the fees are all collected at one time, under a single financial transaction, such as the general contractor paying for all of the permits with a single check, this could be counted as a single permit and 3% (1.5% + 1.5%) collected on the permit fees. If using a master permit system and each trade picks up their individual permit at different times with separate payments, this should be considered separate permits and each permit is then subject to the 3% or \$4 minimum fee.

Another question arises in regard to other fees, such as re-inspection fees. It was stated in the meeting held with the Department of Community Affairs (DCA) that the wording in the statute subjects all monies within the specific account number related to permit fees are subject to the surcharge. Fees that are not related to permit charges or issuance, such as re-inspection fees, penalties, planning, zoning, engineering, utility, impact or other fees not related may need to be tracked in separate accounts. This is a decision to be made by each jurisdiction. It is important the fees are properly tracked to allow for proper filing of the forms at the end of each quarter. It is also important to use the proper form for each State agency. There may be additional information requested by the State Agencies on the reporting forms that they have interest in tracking. While it is not mandated this information be provided, it may prove helpful in the future for determinations of information that is not contemplated at this time.

Calculation of fee:

The fee to be collected has been established by House Bill 663 from the 2010 legislative session. This new calculation is effective October 1, 2010 and is now contained in Florida Statutes. The statute numbers are 468.631 for the DBPR portion of the fee and 553.721 for the DCA portion. It is important to note that each portion of the fee is required to be 1.5% of the permit fee that is charged, however, in no case is the fee to be less than \$2.00 for either portion. This means the fee to be collected in total is 3% of the permit fee, however, in no case less than \$4.00 for any permit that is issued. These charges apply to Building, Electrical, Mechanical, Plumbing and Gas permits. Permits not associated to the Florida Building Code, such as landscaping permits having no requirements under the Florida Building Code need not be charged this fee. It is anticipated this document will be revised based on input from the users and as the State agencies provide additional input or clarification. Please watch the revision date of the document to ensure you are referring the current version. What follows are examples of the calculation and sample forms from the State. We hope this information is helpful and encourage your comments and input. Please contact the BOAF office at 407-804-1001, by fax to 407-804-0308, or by email to info@boaf.net.

Sample calculations:

Sample 1

Plan review fee	\$ 250.00	
Permit fee	<u>\$ 750.00</u>	
Total fees subject to surcharge	\$1,000.00	
Permit Surcharge	<u>\$ 30.00</u>	(\$1,000.00 X 3%)
Total collected	\$1,030.00	

Sample 2

Fee collected upon submission	\$ 400.00	
Building permit	\$ 370.00	
Fuel gas permit	\$ 120.00	
Electrical permit	\$ 175.00	
Mechanical permit	\$ 190.00	
Plumbing permit	<u>\$ 225.00</u>	
Total fees subject to surcharge	\$1,480.00	
Permit surcharge	<u>\$ 44.40</u>	(\$1,480.00 X 3%)
Total Collected	\$1,524.00	In one transaction paid for together

Sample 3

Plumbing permit	\$ 75.00	
Permit surcharge	<u>\$ 4.00</u>	(\$75 X 3% = \$2.25 which is less than the min fee)
Total collected	\$ 79.00	

Frequently Asked Questions:

Q. Are mobile homes required to be charged the surcharge fee?

A. The mobile home setup does not fall under the scope of the surcharge, however, the utility connection permits do. The electrical, mechanical, plumbing gas and any accessory structures must be charged the surcharge.

Q. Do manufactured (DCA Sealed) building permits get charged the surcharge fee; they already paid for the DCA label?

A. Yes. The buildings are reviewed for code compliance and constructed to the Florida Building Code. They still fall under the requirements of being charged the permit surcharge.

Q. When you say that all permits are charged the fee, are you referring to a permit to hang a ceiling fan or replace a kitchen faucet? We were never charged that before.

A. Yes. Under the legislation that recently passed, all permits are charged the 3% of the permit fee or \$4 minimum. This is a change from the previous wording which made reference to square footage. This calculation should make it easier to determine the amount of the surcharge and applies more uniformly for all permits.

Q. Does the surcharge apply to fire alarm and fire sprinkler permits?

A. Yes

Q. Does the surcharge apply to fire alarm system permits?

A. Yes

Q. Does the surcharge apply to exhaust hood extinguishing system permits issued by the building department?

A. Yes

Q. Generally, fences, other than pool barrier fences, are exempt from permitting for other than zoning regulations, except in the HVHZ. Does this surcharge apply to fence permits for other than zoning requirements if the building department issues a permit for the installation?

A. Yes

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DBPR Surcharge Report Form

DBPR BCAI-4258 - Building Permit Certification Surcharge Report – Effective 10/1/10

STATE OF FLORIDA
**DEPARTMENT OF BUSINESS AND
PROFESSIONAL REGULATION**

1940 North Monroe Street
Tallahassee, FL 32399-0783

If you have any questions or need assistance in completing this application, please contact the Department of Business and Professional Regulation, Customer Contact Center, at 850.487.1395.

I. COUNTY INFORMATION			
Attention			
Name of County, City, or Municipal Office Issuing Building Permits			
Street Address / P.O. Box			
City	State	County	Zip
II. SURCHARGE COLLECTIONS FOR			
Calendar Quarters:			
<input type="checkbox"/> 1 st Quarter: July 1 - September 30, _____		<input type="checkbox"/> 3 rd Quarter: January 1 - March 31, _____	
<input type="checkbox"/> 2 nd Quarter: October 1 - December 31, _____		<input type="checkbox"/> 4 th Quarter: April 1 - June 30, _____	
III. BUILDING PERMITS SUBJECT TO CERTIFICATION SURCHARGE			
1. Number of permits issued at the minimum surcharge rate _____ X \$2			\$
2. Permit fees collected at other than minimum surcharge			\$

IV. CALCULATION OF THE CERTIFICATION SURCHARGE DUE

3. Surcharge amount due (1.5% of line 2 or line 2 x 0.015)	\$
4. Total of Lines 1 & 3	\$
5. Less surcharge amount retained (10% of line 4 or line 4 x 0.10)	\$
6. Surcharge amount due (line 4 less line 5)	\$
7. Adjustments for over or under payments (Attach correspondence or explanation)	\$
8. Surcharge amount remitted	\$

CERTIFICATION

I certify that I have provided the above information completely and truthfully to the best of my knowledge.

Signature

Title

Phone Number

Name (printed/typed)

Date

INSTRUCTIONS FOR COMPLETING BUILDING CODE ADMINISTRATORS AND INSPECTORS BOARD BUILDING PERMIT CERTIFICATION SURCHARGE REPORT EFFECTIVE OCTOBER 1, 2010

Report begins on page 2

If you have any questions or need assistance in completing this application, please contact the Department of Business and Professional Regulation, Customer Contact Center, at 850.487.1395.

Compliance Schedule

In order to be in compliance with Section 468.631, Florida Statutes, you are required to file a complete Building Permit Certification Surcharge Report with this office at the close of each quarter:

March 31 June 30 September 30 December 31

A completed quarterly report form must be received in this office within 30 days after the close of each quarter.

The surcharge report must be completed and submitted even if no permits were issued for the respective quarter. Additionally, please remember to notify us in writing of any address or contact change.

Completing the Form

Please refer to the following steps to ensure that your report is accurate and complete:

- Step One:* Complete the County Information area in its entirety.
- Step Two:* Check the box indicating the appropriate quarter for which the report is being filed.
- Step Three:* Complete Sections 1-8.
- Step Four:* The individual completing the form must sign, date, and complete the section marked "Certification."

Additional Instructions


Building departments are required to collect a 1.5 percent fee on all permits, i.e., building, plumbing, electrical, mechanical, etc. The minimum amount collected on any permit will be \$2.00.

Transaction	Requirements
Surcharge Report Submission	<ul style="list-style-type: none"><input type="checkbox"/> Complete DBPR BCAI-4258 – Building Permit Certification Surcharge Report<input type="checkbox"/> Attach appropriate fee as shown in line 7 of the Surcharge Report Form<input type="checkbox"/> Make check payable to Department of Business and Professional Regulation



Please note: Failure to submit quarterly reports may result in a violation of Section 468.631, Florida Statutes.

Please send your completed form and fee to: Department of Business and Professional Regulation
1940 North Monroe Street, Tallahassee, FL 32399-0783
www.MyFloridaLicense.com

DCA Surcharge Form




**FLORIDA DEPARTMENT OF
Community Affairs**


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- ▶ HOUSING & COMMUNITY DEVELOPMENT
- ▶ EMERGENCY MANAGEMENT
- ▶ OFFICE OF THE SECRETARY



Surcharges
USER: Permit Supervisor, City of Test, Surcharge Jurisdiction

Form #: 9B-62.003
Effective Date: January 1, 2011

[Surcharges Menu](#) > [Surcharge Detail](#)

*** Required fields**

[Prior to completing Surcharge please review our Surcharge Submittal Guide](#)

Report for Quarter Ending* (Select One) ▼

County or Municipal Office Issuing Building Permits

Address

City

State

Zip Code

Contact Name

Primary Phone

Fax

Email

City of Test

P.O. Box 1

Test

FL

32300

Permit Supervisor

(555) 555-1212

surcharge@test.com

No Permits Issued this Quarter **Submit**

Building Reports Subject to the Surcharge

1. Number of permits issued at the minimum surcharge rate	0	X \$2	\$16.00
2. Permit fees collected at other than than minimum surcharge			\$23981.33

Calculation of the Surcharge Due

3. Surcharge amount due (1.5% of line 2 or line 2 x 0.015)	\$359.72
4. Total of Lines 1 & 3	\$375.72
5. Less surcharge amount retained (10% of line 4 or line 4 X 0.10)	\$37.57
6. Surcharge amount due (line 4 less line 5)	\$338.14

For Information Purposes Only (Optional)

Total Permits (Total permits may be estimated)

A. Number of permits for new construction 0

Commercial Permits Residential Permits

B. Number of permits for additions, alterations, & renovations 0

Commercial Permits Residential Permits

C. Total Permits 0

Area in Square Feet (Area may be estimated)

D. Current area in square feet for new construction 0 sqft

Commercial Area sqft Residential Area sqft

E. Current area in square feet for additions, alterations, & renovations 0 sqft

Commercial Area sqft Residential Area sqft

F. Total Area 0 sqft

I hereby certify that the information entered is true and correct to the best of my knowledge and belief*

Permit Supervisor

Cancel **Save In Progress** **Submit**

Department of Community Affairs
Florida Building Code Online
Codes and Standards
2355 Shumard Oak Boulevard
Tallahassee, Florida 32399-2100
(850) 487-1824, Fax (850) 414-8436
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