

NOTICE TO CONTRACTORS



Date: June 29, 2009

Subject: State Surcharge Rules Change

On July 1st, 2009 the State Surcharges for DBPR & DCA will be collected for all renovations even if there is no change of occupancy.

Surcharges:

Building Permit Surcharge – Previously known as the Radon Surcharge.
It is paid to the Department of Community Affairs
Ref. FL Statute 553.721

Building Permit Certification Surcharge – Previously known as the Licensing Surcharge
It is paid to the Department of Business & Professional Regulation.
Ref. FL Statute 468.631

Prior to July 1, 2009:

New construction was computed at a rate of one-half cent per square foot under roof floor space permitted.

Additions, alterations, or renovations to existing buildings the surcharges were computed based on the square footage being added, altered or renovated, *except when there was no change of use.*

Effective July 1, 2009:

The exception for alterations or renovations where there is no change of occupancy has been removed. Plan to pay one cent per square foot in state surcharges for new construction, additions and renovations.

The directive from the Department of Community Affairs and an information statement from the Building Official's Association of Florida have been attached for your review.

For additional information please contact the Building Services Division at 239-389-5059.

Thank you,

Robert Mahar
Building Official

STATE OF FLORIDA
DEPARTMENT OF COMMUNITY AFFAIRS

MEMORANDUM

TO: Building Departments
FROM: Ila Jones, Program Manager
Codes and Standards
SUBJECT: Building Code Surcharge Fees
DATE: May 29, 2009

Rule 9B-62, Building Permit Surcharge Collection and Remittance, has been revised to eliminate exemptions from the surcharge which are not supported by s.553.721, Florida Statute.

Section 553.721, Florida Statute, provides for the following:

- 1) Surcharge to be assessed at the rate of one-half cent per square foot under-roof floor space permitted;
- 2) For additions, alterations, or renovations to existing buildings, the surcharge shall be computed on the basis of the square footage being added, altered, or renovated.

Please Note: The exemption for limiting the collection of surcharge for alterations or renovations on the under floor-roof space for which the occupancy classification has changed or on the increase in conditioned or habitable space has been deleted.

EFFECTIVE JULY 1, 2009, a surcharge MUST be collected on all permits for additions, alterations, or renovations.

Attached is a copy of s.553.721, Florida Statutes, and Rule 9B-62, Florida Administrative Code. If you need additional information, please contact me at ila.jones@dca.state.fl.us or (850) 922-6091.

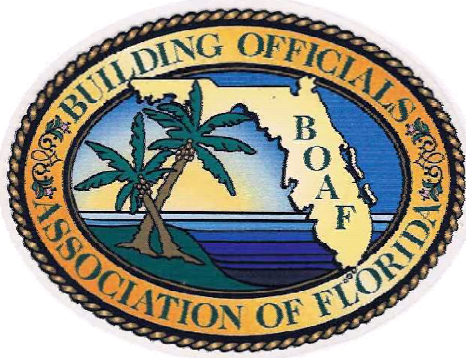
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The Department of Community Affairs is committed to maintaining the highest levels of service and values your feedback. Please take a few moments to complete our Customer Service Survey by visiting <http://www.dca.state.fl.us/CustomerServiceSurvey/>. Thank you in advance for letting us know what you think.

The Florida Discount Drug Card is designed to lower the cost of prescriptions for certain Florida residents. To learn more, visit <http://www.FloridaDiscountDrugCard.com> or call toll-free 1-866-341-8894 or TTY 1-866-763-9630.

BOAF Guidelines for a Safer Built Environment

Florida's Statewide Permit Surcharges



Prepared as a public service by
Building Officials Association of Florida
3697 Lake Emma Road
Lake Mary, FL 32746-6121
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Background

The Florida legislature has established by statute three state government supported entities to regulate the construction industry:

1. **Florida Building Commission (FBC)**, supported by the Department of Community Affairs (DCA)
2. **Building Code Administrators and Inspectors Board (BCAIB)**, supported by the Department of Business and Professional Regulation (DBPR)
3. **Construction Industry Licensing Board (CILB)**, supported by the Department of Business and Professional Regulation (DBPR)

To fund the activities of the **FBC**, state statute provides for a surcharge on building permits and user fees for continuing education course accreditation, manufactured building certification, and product approval.

To fund the activities of the **BCAIB**, state statute provides for a surcharge on building permits, and user fees for individual licensure and continuing education course approval.

To fund the Florida Homeowners' Construction Recovery Fund (**FHCRF**) administered by **CILB**, excess revenue collected by **FBC** and **BCAIB** is swept into the **FHCRF** account.

What the legislation says about surcharges:

553.721 Building Permit Surcharge-.....to be assessed at the rate of one-half cent per square foot under-roof floor space permitted pursuant to s. [125.56\(4\)](#) or s. [166.201](#). However, for additions, alterations, or renovations to existing buildings, the surcharge shall be computed on the basis of the square footage being added, altered, or renovated. The unit of government responsible for collecting a permit fee pursuant to s. [125.56\(4\)](#) or s. [166.201](#) shall collect such surcharge and remit the funds collected to the department on a quarterly calendar basis

468.631 Building Code Administrators and Inspectors Fund (Building Permit Certification Surcharge)-.....to be assessed pursuant to s. [125.56\(4\)](#) or s. [166.201](#) at the rate of one-half cent per square foot of under-roof floor space permitted, including new construction, renovations, alterations, and additions. The unit of government responsible for collecting permit fees pursuant to s. [125.56\(4\)](#) or s. [166.201](#) shall collect such surcharge and shall remit the funds to the department on a quarterly calendar basis....

What the DCA rule change says:

9B-62.003 Building Permit Surcharge Collection and Remittance

~~(1) Operating Trust Fund Fee Collection. A surcharge of one half cent per square foot shall be assessed on new construction and on additions, alterations, or renovations to existing buildings for which a county or municipality normally issues building permits and charges a permit fee. For new construction, the surcharge shall be computed on the under-roof floor space. For additions, the surcharge shall be computed on the under-roof floor space being added. For alterations or renovations, the surcharge shall be computed on the under-roof floor space for which the occupancy classification has changed or on the increase in conditioned or habitable space. (2) Exclusions. The following are excluded from the Operating Trust Fund surcharge fee collections:~~

~~(a) Recreational vehicles;~~

~~(b) Mobile or manufactured homes, as defined by the United States Department of Housing and Urban Development, which are constructed in accordance with the Federal Mobile Home Construction and Safety Standards. However, when a mobile or manufactured home has an addition, alteration, or renovation which is subject to the locally adopted building code and meets the minimum requirements of subsection 9B-62.003(1), F.A.C., the addition, alteration, or renovation is not excluded;~~

~~(c) Accessory structures or buildings which do not have conditioned floor area. Examples of accessory structures include utility buildings and sheds, freestanding carports, boathouses, structures that solely house electrical and mechanical equipment, nonresidential farm buildings on farms, and temporary buildings or sheds used exclusively for construction purposes;~~

~~(d) Buildings for which permits are otherwise normally exempted from permit fees by the municipality or county.~~

~~(3)(1) Remittance of the Operating Trust Fund Surcharge Fees. All municipalities and counties that collect fees for the operating trust fund pursuant to Section 553.721, Florida Statutes, shall remit and report those funds, less 5% to be retained by the collecting agency, to the Department of Community Affairs no later than 30 days after the calendar quarter. Reports shall be submitted using the Building Code Information System website located, and specifically related to surcharge collection, at www.floridabuilding.org/sc/sc_default.aspx .~~

(2) Form number 9B-62, Surcharge Detail, effective July 1, 2009, a screen shot from the Building Code Information System (BCIS), is adopted by reference for use in conjunction with remittance of the surcharge. A paper copy of the screen shot is available by writing the Department of Community Affairs, 2555 Shumard Oak Boulevard, Tallahassee, Florida, 32399.

Intent of the rule change:

The intent of the rule change is to eliminate exemptions provided in the rule that do not exist in the statute, and mirror the rule language established for the Building Code Administrators and Inspectors Fund.

The DCA rule 9B-62 v1995 provided guidance beyond what was stipulated by the statute. The 1995 version of the rule exempted permits for types of projects beyond what the statute allowed. The 1995 version also was not consistent with the BCAIB rule.

Recently, as the pace of permitting slowed, it has become obvious that there would not be enough revenue generated by the surcharge, as currently applied, to sustain the mission and budget of the FBC. The only remedy available in the short term, beyond cost cutting which has been implemented, is to remove the exemption language from the rule, presumably boosting revenue.

Every unit of government responsible for collecting a permit fee pursuant to s. [125.56\(4\)](#) or s. [166.201](#) should review their formula for assessing the surcharge to be consistent with the statute.

Surcharge assessment:

The application of both surcharges should be the same, since the statute language is the same.

The surcharge should be assessed on all permits for projects that are “under roof floor space”.

The square footage of floor space for each project permitted under roof must be recorded and assessed the surcharges. Areas included in this calculation shall include, but not be limited to: carports, roofed screen rooms, mobile homes, modular buildings, sheds, boathouses, electrical and/or mechanical equipment buildings, permitted non-residential farm buildings, and government buildings, even if such buildings are not assessed a permit fee. Swimming pool screen enclosure areas that do not have a solid roof would not be assessed the surcharge, while any portion of the enclosure that has solid roof panels would be assessed the surcharge.

The surcharge should be applied to all permits issued for a project, including separate trade permits. Roofing permits should be assessed at the square footage of floor space being roofed, or re-roofed.

Alteration and repair permits should be calculated at the floor area square footage affected “under roof”, for example the change out of a residential air handler unit only, on a platform that is 2 foot by 3 foot, located under roof could be calculated at 6 square feet, while the replacement of the external equipment would not be assessed a fee because the work being performed is not under roof.

For most jurisdictions this change will require permit software programming modifications. Each jurisdiction should review their current programming and initiate modifications to obtain compliance. Adding a field to every permit that records the “square footage subject to state surcharge” is one suggestion that may simplify the task. A plans examiner could calculate the applicable “square footage” for every permit, and manually enter it in the field provided. From there, the program should be adjusted to do the calculations.

Future Actions Required:

The formula created by the statutes are not necessarily the best, fairest, or most effective way to fund the operations of the FBC, BCAIB or FHCRF. A change to the statutes must be proposed for this process to be improved. Your comments and suggestions are welcome. The operations of the FBC and BCAIB are crucial to construction in Florida and finding an effective means to fund them is in all of our best interests. As always, ensure that your local counsel (municipal attorney) has been consulted and agrees with your application of and compliance with the statutory language.