

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Community Affairs Committee

BILL: SB 1470

SPONSOR: Senator Constantine

SUBJECT: Alternative Plans Review and Inspection

DATE: March 31, 2005

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Vickers	Yeatman	CA	Favorable
2.	_____	_____	RI	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Currently, s. 553.791, F.S., establishes an alternative plans review and inspection program which authorizes the use of private providers for the overview of construction projects and compliance with building code standards. This section authorizes the fee owner of a building to use and pay a private provider (an engineer or architect) to perform building code inspection services, subject to a written contract between these parties. The owner may use a private provider to offer both plans review and required building inspections, or to use the local enforcement agency for one or both of these purposes.

This bill provides that a contractor, in addition to the owner of the property and upon written authorization from the owner, may choose a private provider to provide building plans review and inspection services. In addition, the bill eliminates the requirement that the private provider maintain comprehensive general liability insurance with minimum policy limits of one million dollars per occurrence, but retains the requirement that private providers are to maintain certain professional liability insurance. The bill states that local governments may, at their option, establish a registration system to ensure private providers comply with the licensure and insurance requirements. The bill specifies that work on a building may proceed after the inspection and approval by a private provider if the provider has given appropriate notice of the inspection. Finally, the bill specifies that subsequent to inspection and approval, the completion of work may not be held up or delayed due to the failure to complete an inspection audit by a local building enforcement official.

This bill substantially amends section 553.791 of the Florida Statutes.

II. Present Situation:

Section 17 of ch. 2002-293, L.O.F, created s. 553.791, F.S., to establish a procedure by which the public could choose to hire an engineer or architect to perform plans review and building inspection services for structures for which building permits are required. This section authorizes the fee owner of a building to use and pay a private provider (architect or engineer) to offer building code inspection services, subject to a written contract between these parties. The fee owner may use a private provider to offer both plans review and required building inspections, or to use the local enforcement agency for one or both of these purposes.

A private provider is authorized to perform building code inspection services under this section only if the private provider maintains insurance for professional and comprehensive general liability. Minimum policy limits are specified in the amount of \$1 million per occurrence relating to services performed as a private provider, and including tail coverage for a minimum of 5 years subsequent to the performance of building code inspection services.

In response to concerns relating to the use of private providers, the Florida Building Commission established a workgroup to evaluate the private provider program and make recommendations to the Legislature. The recommendations of the workgroup were included in the Building Commission's 2005 report to the Legislature.

III. Effect of Proposed Changes:

The bill amends s. 553.791, F.S., to provide that a contractor, in addition to the owner of the property (fee owner) and upon written authorization from the owner, may choose a private provider to provide building inspection services. Currently, the owner or contractor is required to notify the local building department about the use of a private provider at the time of application for a building permit. The bill allows the notification of the use of a private provider to take place for up to 7 business days prior to the first scheduled inspection of the project. The bill also provides additional conditions and notification requirements governing the use of private providers.

The bill states that local governments may, at their option, establish a registration system to ensure private providers comply with the licensure and insurance requirements. It further states that local building officials retain the authority to issue a stop-work order for a building project if the official determines that a condition on a building site constitutes an immediate threat to public safety and welfare.

The bill eliminates the requirement that the private provider maintain comprehensive general liability insurance with minimum policy limits of one million dollars per occurrence. It continues to require private providers to maintain professional liability insurance with minimum policy limits of one million dollars per occurrence to cover the services of the private provider and the provider must maintain tail coverage for a minimum period of 5 years subsequent to the inspection services. ("Tail coverage" is liability insurance that extends beyond the end of the policy period of a liability insurance policy written on a claims made basis.)

The bill specifies that work on a building may proceed after the inspection and approval by a private provider if the provider has given notice of the inspection. It further specifies that subsequent to inspection and approval, the completion of work may not be held up or delayed due to the failure to complete an inspection audit by a local building enforcement official.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The economic impact on the private sector would be reflected in the authority to conduct business as a private provider and for an owner of a building to negotiate inspector services.

C. Government Sector Impact:

The bill could reduce local government expenditures associated with plans review and inspections in instances where a building owner contracts with a private provider to perform such services.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
