By Senator Rodriguez

40-01901A-23 20231682

A bill to be entitled

An act relating to fees for the enforcement of the Florida Building Code; providing a short title; amending s. 553.80, F.S.; revising the definition of the term "operating budget"; authorizing local governments to carry forward a certain percentage of unexpended funds under certain circumstances; providing that such funds may be used for purposes other than the construction of buildings or structures; conforming provisions to changes made by the act; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

## Section 1. This act may be cited as the "Low Property Tax Incentive Program."

Section 2. Paragraph (a) of subsection (7) of section 553.80, Florida Statutes, is amended to read:

553.80 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

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unexpended balances must be carried forward to future years for allowable activities or must be refunded at the discretion of the local government. Except as provided in subparagraph 3., 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 paragraph subsection, the term "operating budget" does not include reserve amounts or any fees paid by a local government for its own building construction. 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 must relate to the level of service provided by the local government and must 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 must be consistently applied.

1. As used in this subsection, the phrase "enforcing the Florida Building Code" includes the direct costs and reasonable indirect costs associated with review of building plans, building inspections, reinspections, and building permit processing; building code enforcement; and fire inspections associated with new construction. The phrase may also include training costs associated with the enforcement of the Florida

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Building Code and enforcement action pertaining to unlicensed contractor activity to the extent not funded by other user fees.

- 2. Except as provided in subparagraph 3., a local government must use any excess funds that it is prohibited from carrying forward to rebate and reduce fees, or to pay for the construction of a building or structure that houses a local government's building code enforcement agency or the training programs for building officials, inspectors, or plans examiners associated with the enforcement of the Florida Building Code. Excess funds used to construct such a building or structure must be designated for such purpose by the local government and may not be carried forward for more than 4 consecutive years. An owner or builder who has a valid building permit issued by a local government for a fee, or an association of owners or builders located in the state that has members with valid building permits issued by a local government for a fee, may bring a civil action against the local government that issued the permit for a fee to enforce this subparagraph.
- 3.a. 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.
- b. A local government that carries an unexpended balance in excess of the average of its operating budget for the previous 4 fiscal years may carry forward up to 20 percent of such excess funds if the local government has levied 7 mills or less of ad

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valorem taxes and the local government has decreased its building fees by at least 25 percent, cumulatively, over the preceding 5 years. A local government may use the excess funds that are carried over for purposes other than the construction of buildings or structures.

- $\underline{4.3.}$  The following activities may not be funded with fees adopted for enforcing the Florida Building Code:
- a. Planning and zoning or other general government activities.
- b. Inspections of public buildings for a reduced fee or no fee.
- c. Public information requests, community functions, boards, and any program not directly related to enforcement of the Florida Building Code.
- d. Enforcement and implementation of any other local ordinance, excluding validly adopted local amendments to the Florida Building Code and excluding any local ordinance directly related to enforcing the Florida Building Code as defined in subparagraph 1.
- 5.4. A local government must use recognized management, accounting, and oversight practices to ensure that fees, fines, and investment earnings generated under this subsection are maintained and allocated or used solely for the purposes described in subparagraph 1.
- $\underline{6.5.}$  The local enforcement agency, independent district, or special district may not require at any time, including at the time of application for a permit, the payment of any additional fees, charges, or expenses associated with:
  - a. Providing proof of licensure under chapter 489;

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b. Recording or filing a license issued under this chapter;

- c. Providing, recording, or filing evidence of workers' compensation insurance coverage as required by chapter 440; or
- d. Charging surcharges or other similar fees not directly related to enforcing the Florida Building Code.
- Section 3. This act shall take effect July 1, 2023.