

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

BILL: SB 526

INTRODUCER: Senator Grall

SUBJECT: Commercial Construction Projects

DATE: January 30, 2026 REVISED: _____

| ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|------------|----------------|-----------|--------------------|
| 1. Shuler | Fleming | CA | Favorable |
| 2. Harmsen | McVaney | GO | Pre-meeting |
| 3. _____ | _____ | RC | _____ |

I. Summary:

SB 526 creates provisions governing public construction contracts to render void and unenforceable contract provisions that bar certain remedies or contractor's rights to extensions when the state, local government, or other political subdivision that has awarded the contract causes or contributes to a delay.

The bill also amends the Florida Building Codes Act to require the Florida Building Commission, in consultation with the Department of Business and Professional Regulation, to create a uniform commercial building permit application for statewide use. The minimum contents of the application are specified. Local enforcement agents are allowed to require supplemental forms and additional documentation and must allow for simultaneous relevant plan reviews.

For commercial construction projects, the bill requires local enforcement agencies to reduce permit fees by at least 50 percent of the amount attributable to plans review or building services when private providers are used, and at least 75 percent of the amount otherwise charged if a private provider performs all required plans review or building inspection services. A local enforcement agency is allowed to reduce its fees more than the required reductions, and an agency that doesn't reduce its fees forfeits the ability to collect any fees for the commercial construction project.

The bill expands the list of categories of products for which the Florida Building Commission must develop an approval system for statewide use in construction to include mitigation products.

The bill may have a negative impact on local fees as a result of the reduction in permitted fees for services performed by private providers. See Section V. Fiscal Impact Statement.

The bill takes effect on July 1, 2026.

II. Present Situation:

Public Procurement of Personal Property and Services

Chapter 287, F.S., sets out provisions governing agency procurement of personal property and services. Section 287.012(1), F.S., defines “agency” as “any of the various state officers, departments, boards, commissions, divisions, bureaus, and councils and any other unit of organization, however designated, of the executive branch of state government,” but “does not include the university and college boards of trustees or the state universities and colleges.” Section 287.05701, F.S., defines the term “awarding body” as a state agency for state contracts or as a county, municipality, special district, or other political subdivision for local government contracts.

Agencies may use different methods, depending on the cost and characteristics of the goods or services being procured, which include:

- Invitations to bid, used when an agency is capable of specifically defining the scope of work for which a contractual service is required or of establishing precise specifications defining the actual commodity or group of commodities required.¹
- Requests for proposals, used when the purposes and uses for which the commodity, group of commodities, or contractual service being sought can be specifically defined and the agency is capable of identifying necessary deliverables. Responsive vendors may propose various combinations or versions of commodities or contractual services to meet the agency’s specifications.²
- Invitations to negotiate, used to determine the best method for achieving a specific goal or solving a particular problem. This procurement method identifies one or more responsive vendors with which the agency may negotiate to receive the best value.³
- Single source contracts, used when an agency determines that only one vendor is available to provide a commodity or service at the time of purchase and which may be excepted from competitive-solicitation requirements.⁴

Statutes specifically relating to use and construction of public property and publicly owned buildings, including competitive solicitation of construction services, are located in ch. 255, F.S., though additional provisions related to public construction services are included in ch. 287, F.S.⁵ Provisions specifically related to transportation construction contract requirements are found in ch. 339, F.S.

Competitive Solicitation of Construction Services

State contracts for construction projects that are projected to cost in excess of \$200,000 must be competitively bid.⁶ A county, municipality, special district, or other political subdivision seeking

¹ Section 287.057(1)(a), F.S.

² Section 287.057(1)(b), F.S.

³ Section 287.057(1)(c), F.S.

⁴ Section 287.057(3)(c), F.S.

⁵ See, e.g., s. 287.05705, F.S., relating to procurements of road, bridge, and other specified public construction services.

⁶ See s. 255.0525, F.S.; see also Fla. Admin. Code R. 60D-5.002 and 60D-5.0073.

to construct or improve a public building must competitively bid the project if the estimated cost is in excess of \$300,000.⁷

The Department of Management Services (DMS) is responsible for establishing by rule requirements related to construction contracts, including procedures.⁸

- For determining the qualifications and responsibility of potential bidders prior to advertising for and receiving bids for building construction contracts.
- For awarding each state agency construction project to the lowest qualified bidder.
- To govern negotiations for construction contracts and contract modifications when such negotiations are determined to be in the best interest of the state.
- For entering into performance-based contracts for the development of public facilities when those contracts are determined to be in the best interest of the state.

Florida Building Code

In 1974, Florida adopted legislation requiring all local governments to adopt and enforce a minimum building code that would ensure that Florida's minimum standards were met. Local governments could choose from four separate model codes. The state's role was limited to adopting all or relevant parts of new editions of the four model codes. Local governments could amend and enforce their local codes, as they desired.⁹

In 1992, Hurricane Andrew demonstrated that Florida's system of local codes did not work. Hurricane Andrew easily destroyed those structures that were allegedly built according to the strongest code. The Governor eventually appointed a study commission to review the system of local codes and make recommendations for modernizing the system. The 1998 Legislature adopted the study commission's recommendations for a single state building code and enhanced the oversight role of the state over local code enforcement. The 2000 Legislature authorized implementation of the Florida Building Code (Building Code), and that first edition replaced all local codes on March 1, 2002.¹⁰ The current edition of the Building Code is the eighth edition, which is referred to as the 2023 Florida Building Code.¹¹

Part IV of chapter 553, F.S., is known as the "Florida Building Codes Act" (Act). The purpose and intent of the Act is to provide a mechanism for the uniform adoption, updating, amendment, interpretation, and enforcement of a single, unified state building code. The Building Code must be applied, administered, and enforced uniformly and consistently from jurisdiction to jurisdiction.¹²

⁷ Section 255.20(1), F.S. For electrical work, local governments must competitively bid projects estimated to cost over \$75,000. *Id.* Certain projects are exempted from these requirements, including projects to replace, reconstruct, or repair existing public buildings, structures, or other construction works that have been damaged or destroyed by sudden turns of events. *Id.*

⁸ Section 255.29, F.S.

⁹ FLA. DEPT. OF CMTY AFFAIRS, THE FLORIDA BUILDING COMMISSION REPORT TO THE 2006 LEGISLATURE 4 (Jan 2006), http://www.floridabuilding.org/fbc/publications/2006_Legislature_Rpt_rev2.pdf (last visited Jan. 9, 2026).

¹⁰ *Id.*

¹¹ FLA. DEPT. OF BUS. & PRO. REGUL., *Florida Building Codes*, https://floridabuilding.org/bc/bc_default.aspx (last visited Jan. 9, 2026).

¹² Section 553.72(1), F.S.

The Florida Building Commission (Commission) was created to implement the Building Code. The Commission, which is housed within the Department of Business and Professional Regulation (DBPR), is a 19-member technical body made up of design professionals, contractors, and government experts in various disciplines covered by the Building Code.¹³ The Commission reviews several International Codes published by the International Code Council,¹⁴ the National Electric Code, and other nationally adopted model codes to determine if the Building Code needs to be updated and adopts an updated Building Code every three years.¹⁵

Amendments to the Building Code

The Commission and local governments may adopt technical and administrative amendments to the Building Code.¹⁶ The Commission may approve technical amendments to the Building Code once each year for statewide or regional application upon making certain findings.¹⁷

Local governments may adopt amendments to the Building Code that are more stringent than the Building Code that are limited to the local government's jurisdiction.¹⁸ Amendments by local governments expire upon the adoption of the newest edition of the Building Code, and, thus, the local government would need to go through the amendment process every three years to maintain a local amendment to the Building Code.¹⁹

Building Permits

It is the intent of the Legislature that local governments have the power to inspect all buildings, structures, and facilities within their jurisdiction in protection of the public's health, safety, and welfare.²⁰ Every local government must enforce the Building Code and issue building permits.²¹

A building permit is an official document or certificate issued by the local building official that authorizes performance of a specific activity.²² It is unlawful for a person, firm, corporation, or governmental entity to construct, erect, alter, modify, repair, or demolish any building without first obtaining a building permit from the appropriate enforcing agency or from such persons as may, by resolution or regulation, be delegated authority to issue such permit.²³

Current law requires local governments to post their building permit applications, including a list of all required attachments, drawings, and documents for each application, on its website.²⁴

¹³ Sections 553.73 and 553.74, F.S.

¹⁴ The International Code Council (ICC) is an association that develops model codes and standards used in the design, building, and compliance process to construct safe, sustainable, affordable and resilient structures. INT'L CODE COUNCIL, *Who We Are*, <https://www.iccsafe.org/about/who-we-are/> (last visited Jan. 9, 2026).

¹⁵ Section 553.73(7)(a), F.S.

¹⁶ Section 553.73, F.S.

¹⁷ Section 553.73(9), F.S.

¹⁸ Section 553.73(4), F.S.

¹⁹ Section 553.73(4)(e), F.S.

²⁰ Section 553.72(2), F.S.

²¹ Sections 125.01(1)(bb), 125.56(1), and 553.80(1), F.S.

²² Florida Building Code, 2023 Florida Building Code: 8th Edition, s. 220 (2023), available at https://codes.iccsafe.org/content/FLBC2023P1/chapter-2-definitions#FLBC2023P1_Ch02_Sec202 (last visited Jan. 10, 2026).

²³ Section 553.79(1), F.S. *See also* s. 125.56(4)(a).

²⁴ Section 553.79(1), F.S.

However, other than fire alarm building permit applications, local governments are not required to have uniform building permit applications, and they are free to create their own applications with their own requirements.²⁵

Any construction work that requires a building permit also requires plans and inspections to ensure the work complies with the Building Code. The Building Code requires certain building, electrical, plumbing, mechanical, and gas inspections. Construction work may not be done beyond a certain point until it passes an inspection. Generally speaking, a permit for construction work that passes the required inspections are considered completed or closed.²⁶

Required Information in Building Permit Application

The minimum contents and format of building permit applications for every municipality and county that issues building permits for construction are prescribed by s. 713.135, F.S. The form must include the following information:²⁷

- The name and address of the owner of the property;
- The name and address of the contractor;
- A description sufficient to identify the property to be improved;
- The name and address of the bonding company, if any;
- The name and address of the architect/engineer, if any;
- The name and address of the mortgage company, if any; and
- The number or identifying symbol assigned to the building permit by the issuing authority.

In addition to the information that must be in the application, a government entity may require any additional information be included in the application.²⁸

Building Code Fees

A local government may charge reasonable fees as set forth in a schedule of fees adopted by the enforcing agency for the issuance of a building permit.²⁹ Such fees shall be used solely for carrying out the local government's responsibilities in enforcing the Building Code.³⁰ Enforcing the Building Code includes the direct costs and reasonable indirect costs associated with training, enforcement action related to unlicensed contractors, review of building plans, building inspections, reinspections, building permit processing, and fire inspections associated with new construction.³¹ A local government must post all building permit and inspection fee schedules on its websites.³²

²⁵ See s. 553.7921, F.S.

²⁶ Florida Building Code, *2023 Florida Building Code: 8th Edition*, s. 110 (2023), available at https://codes.iccsafe.org/content/FLBC2023P1/chapter-1-scope-and-administration#FLBC2023P1_Ch01_SubCh02_Sec110 (last visited Jan. 10, 2026).

²⁷ Sections 713.135(5) and (7), F.S.

²⁸ Section 713.135(7), F.S.

²⁹ Section 553.80(7)(a), F.S.

³⁰ *Id.*

³¹ Section 553.80(7)(a)1., F.S.

³² Sections 125.56(4)(c) and 166.222(2), F.S.

A local government is allowed to collect only building permit fees that are sufficient to cover its costs in enforcing the 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 unexpended balances must be carried forward to future years for allowable activities or must be refunded at the discretion of the local government. A local government may not carry forward an amount exceeding the average of its operating budget, not including reserve amounts, for enforcing the Building Code for the previous 4 fiscal years.³³

DBPR Surcharges

Current law requires each local government to assess and collect a 1 percent surcharge on the permit fees for any building permit issued by its enforcement agency for the purpose of enforcing the Building Code. The local jurisdiction collects the assessment and remits the surcharge fees to DBPR to fund the activities of the Commission, DBPR's Building Code Compliance and Mitigation Program, and the Florida Fire Prevention Code informal interpretations.³⁴

Current law also requires each local government to assess and collect a separate 1.5 percent surcharge on the permit fees on any building permit issued by its enforcement agency for the purpose of enforcing the Building Code. The local government collects the assessment and remits the surcharge fees to DBPR, where it is divided equally to fund the activities of the Building Code Administrators and Inspectors Board and the Florida Homeowners' Construction Recovery Fund.³⁵

Each local government building department is permitted to retain 10 percent of the amount of the surcharges it collects to fund participation by its agencies in the national and state building code adoption processes and to provide education related to enforcement of the Building Code.³⁶

Private Providers

Property owners or their contractors pursuant to written authorization may use a private provider to provide plans review or building inspection services.³⁷ Private providers and their duly authorized representatives may only provide such services that are within the scope of the provider's or representative's license.³⁸

A "private provider" is defined as a person licensed as a building code administrator, engineer, or architect. Additionally, the term includes licensed building inspectors and plans examiners who perform inspections for additions and alterations that are limited to 1,000 square feet or less

³³ Section 553.80(7)(a), F.S.

³⁴ Section 553.721, F.S.

³⁵ Section 468.631, F.S. The Florida Homeowners' Construction Recovery Fund is used to compensate homeowners who have suffered a covered financial loss at the hands of state-licensed general, building and residential contractors. *See ss. 489.140-489.144, F.S.*

³⁶ Sections 468.631 and 553.721, F.S.

³⁷ Section 553.791(2), F.S.

³⁸ Section 553.791(3), F.S.

in residential buildings.³⁹ An owner or contractor must notify a local government that the owner or contractor hired a private provider to perform building code inspection services, including single-trade inspections.⁴⁰

If an owner or contractor retains a private provider for purposes of plans review or building inspection services, the local jurisdiction must reduce the permit fee by the amount of cost savings realized by the local enforcement agency for not having to perform such services. Such reduction may be calculated on a flat fee or percentage basis, or any other reasonable means by which a local enforcement agency assesses the cost for its plans review or inspection services.⁴¹

A local government may not charge a fee for building inspections when an owner or contractor uses a private provider but may charge a “reasonable administrative fee.” A “reasonable administrative fee” must be based on the cost that is actually incurred by the local government, including the labor cost of the personnel providing the service, or the cost attributable to the local government for the clerical and supervisory assistance required, or both.⁴²

Product Evaluation and Approval

Current law requires the Commission to develop and implement an approval system of products for statewide use in construction.⁴³ The Commission has created a product approval system for products and systems that make up the building envelope and structural frame of a building.⁴⁴ To gain approval, products must have been evaluated using specified methods for compliance with or equivalency with the Building Code.⁴⁵ The Commission is required to approve the following categories of products:

- Panel walls,
- Exterior doors,
- Roofing,
- Skylights,
- Windows,
- Shutters,
- Impact protective systems, and
- Structural components as established by the Commission by rule.⁴⁶

A product may not be advertised, sold, offered, provided, distributed, or marketed as hurricane, windstorm, or impact protection from wind-borne debris from a hurricane or windstorm unless it is approved for statewide use pursuant to s. 553.842, F.S., or for local approval pursuant to s. 553.8425, F.S.⁴⁷ Any person who advertises, sells, offers, provides, distributes, or markets a product as hurricane, windstorm, or impact protection from wind-borne debris without such

³⁹ Section 553.791(1)(n), F.S.

⁴⁰ Section 553.791(4), F.S.

⁴¹ Section 553.791(2)(b), F.S.

⁴² *Id.*

⁴³ Section 553.842(1), F.S.

⁴⁴ Fla. Admin. Code R. 61G20-3.001.

⁴⁵ Section 553.842(5), F.S.

⁴⁶ Section 553.842, F.S.

⁴⁷ *Id.*

approval is subject to the Florida Deceptive and Unfair Trade Practices Act under part II of ch. 501, F.S.⁴⁸

III. Effect of Proposed Changes:

Section 1 creates s. 287.05702, F.S., governing public procurement. to make provisions in public construction contracts void and unenforceable which purport to waive, release, or extinguish the rights of a contractor to recover costs, damages, or equitable adjustments, or to obtain a time extension, for delays in performance of the contract, when the delays are caused by the awarding body. Similarly, provisions in public construction contracts which purport to deny or restrict a contractor's right to a time extension for a concurrent delay are void and unenforceable if the awarding body contributed to the delay. Such void and unenforceable provisions must be severed from public construction contracts, and the remaining provisions remain effective.

The term "awarding body" is defined under the bill to mean a state agency for state contracts or a county, municipality, special district, or other political subdivision for local government contracts.

The bill provides that the following do not render a contract void or unenforceable:

- Requiring notice of delay by the party claiming a delay.
- Allowing an awarding body to recover liquidated damages for delays caused by contractors or subcontractors.
- Providing for arbitration or other dispute settlement procedures are.

The newly created section applies to public construction contracts entered into on or after July 1, 2026.

Section 2 creates s. 553.789, F.S., to require the Commission, in consultation with DBPR, to create a uniform commercial building permit application for statewide use. By July 1, 2026, the Commission must publish the uniform commercial building application on its website and make it available to all local enforcement agencies and applicants.

The application must, at a minimum, include:

- The property owner's name and contact information;
- The contractor's name, license number, and contact information;
- The construction project's address and parcel identification number;
- The project type and occupancy classification under the Building Code;
- A description of the construction project, including whether the project is new construction or an alteration, an addition, or a repair;
- The total square footage and declared value of the construction project; the architect or engineer of record, if applicable; and
- The identification of any private provider services, if used.

⁴⁸ *Id.*

Local enforcement agencies may require supplemental forms based on the project's scope. Such forms must be standardized and used statewide and may not expand the timelines for plans to be reviewed or permits to be issued. Supplemental forms may be used for projects to construct high-rises, health care facilities, industrial or warehouse facilities, or mixed-use occupancies. Local enforcement agencies may also require additional documentation or plans necessary to show compliance with the Building Code or local zoning ordinances. Neither supplemental forms nor additional documentation may alter the format, content, or substance of the uniform commercial building permit application. Local enforcement agencies are required to allow for simultaneous relevant plan reviews.

Section 3 amends s. 553.791, F.S., relating to the use of private providers for plans review or building inspection services for commercial construction projects. Each local enforcement agency must reduce its permit fees by at least 50 percent of the amount attributable to plans review or building services if the property owner or contractor uses a private provider. If the property owner or contractor uses a private provider for all of the required plans review and building inspection services, the local enforcement agency must reduce the permit fee by at least 75 percent of the amount otherwise charged. A local enforcement agency is allowed to reduce its fees more than the required reductions. Although currently required to reduce its permit fee as a result of the use of a private provider, this bill assigns a specific amount by which the local government must reduce the fee.

Local enforcement agencies that do not reduce fees as required are penalized by forfeiting the ability to collect any fees for the commercial construction project.

The term "commercial construction project" is defined by the bill to mean the construction, alteration, or repair of a building or structure that is primarily intended for business, industrial, institutional, or mercantile use and is not classified as residential under the Building Code.

Section 4 amends s. 553.842, F.S., relating to construction product evaluation and approval. In addition to the categories of products already specified in law, the Commission will be required to approve products related to mitigation. This may include several types of mitigation products, including those relating to radon, flood, windstorm, or other natural disasters. Such product evaluation and approval is performed as prescribed by rule, and generally requires the submission of test or evaluation reports from specific testing laboratories or approved evaluation entities.⁴⁹

The bill takes effect on July 1, 2026.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Section 18 of Article VII of the Florida Constitution governs laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

⁴⁹ See, r. 61G-20.3, Fla. Admin. Code.

Section 18(b) of Article VII of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact,^{50,51} which is \$2.4 million or less for Fiscal Year 2026-2027.⁵²

The REC has not yet reviewed the bill and it is not known if the required reduction in permit fees for the use of private providers for commercial construction projects exceeds the amount by which local governments reduce their permit fees pursuant to current law. If the bill reduces the authority for counties and municipalities to raise revenue in an amount that exceeds the threshold for an insignificant impact, the mandates provision of section 18 of Article VII of the Florida Constitution may apply.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Article VII, s. 19 of the State Constitution requires that legislation that increases or creates taxes or fees be passed by a 2/3 vote of each chamber in a bill with no other subject. The bill does not increase or create new taxes or fees. Thus, the constitutional requirements related to new or increased taxes or fees do not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None identified.

⁵⁰ FLA. CONST. art. VII, s. 18(d).

⁵¹ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See FLA. SENATE COMM. ON COMTY. AFFAIRS, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Jan. 10, 2026).

⁵² Based on the Demographic Estimating Conference's estimated population adopted on June 30, 2025,

<https://edr.state.fl.us/Content/conferences/population/archives/250630demographic.pdf> (last visited Jan. 10, 2026).

B. Private Sector Impact:

If the required reduction in permit fees for the use of private providers for commercial construction projects exceeds the amount by which local governments reduce their permit fees pursuant to current law, then those requesting permits may enjoy savings for permit fees.

C. Government Sector Impact:

The Commission and the DBPR may experience a negative fiscal impact for the resources required to develop a uniform commercial building permit application. However, they likely would be able to absorb the impact with existing resources.

If the required reduction of permit fees for the use of private providers for commercial construction projects exceeds the amount by which local governments reduce their permit fees pursuant to current law, then local governments may experience a reduction in revenue from permit fees.

It is unclear whether the required reduction of the “total permit fees” for the use of private providers for commercial construction projects is inclusive of the DBPR surcharges that would be imposed along with the permit fees charged by the local governments for their own permitting costs. If the total permit fee includes these surcharges, the required reduction could result in a negative fiscal impact to the DBPR and the activities funded by the surcharges.

The DBPR may be required to update its rules that relate to the approval of mitigation products, methods, or systems of construction.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Article III, s. 6 of the Florida Constitution requires all laws to “embrace but one subject and matter properly connected therewith, and the subject shall be briefly expressed in the title”. The “relating to” clause of the bill is “commercial construction projects,” which relates to the contents of sections 2 and 3 of the bill. However, section 1 relates to public procurement contracts and section 4 relates to construction product evaluation and approval. Since these sections appear to be not directly related to the more specific topic of commercial construction projects, the “relating to clause” may not satisfy the requirements of Art. III, s. 6 of the Florida Constitution.

VIII. Statutes Affected:

This bill substantially amends sections 553.791 and 553.842 of the Florida Statutes. This bill creates sections 287.05702 and 553.789 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
