



CONSTRUCTION
CODE COMPLIANCE

What Does the Amendment to Florida Statute 553.791 Mean to You?



BUREAU
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EXECUTIVE SUMMARY

Residential, commercial, manufacturing, and public works construction continues to grow in Florida. However, due to an ongoing shortage of construction and building code professionals, many municipalities' building departments are overburdened, causing long wait times and potentially compromising the quality of inspections. This may have an adverse impact on development projects, as delays are costly, and oversights or omissions during reviews and inspections can affect construction safety and building integrity.

A June 2019 amendment to Florida Statute 553.791 (2002) requires municipalities to subtract from permit fees the savings the municipality experiences from having a plan review and inspection performed by a private provider, rather than the city staff. This is beneficial because it enables developers to hire private inspection companies at a much lower cost than before. Moreover, it reduces wait times, helps keep projects on track, and facilitates access to code professionals with specializations that municipal building departments might not have in house. In addition, it helps reduce building departments' workloads and contributes to quality assurance.

Overall, working with private providers can help enhance Florida's already strong construction industry, which will attract more investors and promote further growth of the sector as a whole.

Despite the fact that the construction market in Florida continues to expand, municipal building departments are finding it challenging to attract qualified construction and code professionals. As a result, building departments are often overburdened, and wait times for plan reviews and inspections can be long, resulting in costly delays. The 2002 Florida Statute 553.791 enabled developers to hire private inspection companies instead of waiting for municipal building departments to perform inspections.¹ However, developers had to cover both the costs of the private companies and pay fees to the appropriate municipalities. Thanks to a June 2019 amendment, this is no longer the case. In this white paper, we'll examine what the June 2019 amendment to Florida Statute 553.791 means for both private developers and municipalities.

THE IMPACT OF THE ONGOING SHORTAGE OF CONSTRUCTION AND BUILDING CODE PROFESSIONALS

The Florida construction market continues to grow. This is caused by several factors. Projected increases in the prices of single-family housing are prompting more residential construction starts in several areas in Florida. Investments in commercial and manufacturing construction continue to increase, and public works construction is growing across the U.S.

However, many municipalities' building departments are unable to keep up with the growing demand for plan reviews and construction inspections. This is caused by the ongoing shortage of building and construction inspectors triggered by an aging workforce with many professionals nearing retirement age. Moreover, there are relatively few new entrants into the profession, and many new inspectors do not have a background in construction.² As a result, wait times for inspections can be long. This can lead to considerable delays and rising project costs—regardless of whether those projects are complex and require specialized knowledge or relatively simple with the potential for same-day approval. In addition, lack of experience in the construction industry and high workloads can compromise the quality of inspections. This can have a lasting, negative impact on developments, with the potential to result in unsafe construction conditions or buildings that are unsound or don't meet environmental regulations.

FLORIDA STATUTE 553.791 AND THE 2019 AMENDMENT ENABLE COST-SAVINGS AND FLEXIBILITY

Clearly, the construction industry forms a significant part of the Florida economy. Nevertheless, in order to continue to attract investments, the construction market must be attractive for developers. Over the years, the State of Florida has proven to be a leader in providing flexible inspection options that promote a positive investment environment. In 2002, Florida passed Statute 553.791 to mitigate the impact of the shortage of building and construction code professionals on plan review and inspection times. The statute allows developers to hire private providers to perform plan reviews and inspections to ensure new construction projects comply with Florida regulations, as well as local municipal regulations.

In June 2019, Florida passed an amendment to Statute 553.791 that requires municipal building departments to reduce permit fees by the amount of cost-savings achieved by having private providers perform plan reviews and inspections.³

This is extremely beneficial for three reasons:



First, it has made **the use of private providers more affordable for property developers** because Florida cities now charge only a discounted permit fee when inspections are performed by a private party.



Second, it makes it **more feasible for developers to utilize private providers when time is of the essence**—which it often is in construction. Delays are expensive because owners carry the costs of loans and insurance; plus, contractors' costs increase and revenue generation from new construction is postponed. While Florida has made great strides in reducing response times and review periods, there is still room for improvement.² By having the ability to work with private providers, developers can plan inspections around their schedules—including on weekends and after hours—thereby minimizing any delays and keeping their projects on track.



Third, some private providers, such as Bureau Veritas, offer **expertise that municipal building departments might not have in house**. For example, if a new hospital is being developed in an area that hasn't seen any recent hospital projects, the municipal building department might not have plan examiners and inspectors with the right experience. In instances like these, private companies can provide the necessary teams with proven experience in the field.

OTHER IMPORTANT CHANGES

In addition to the new requirement for municipalities to provide a discounted permit fee, the July 2019 amendment also:

- ➔ Prohibits the local building official from replicating plan reviews or inspections done by a private provider, unless expressly authorized
- ➔ Reduces the time period for a local building official to review a permit application from a private provider from 30 business days to 20 business days.
- ➔ Provides that a local building official may not audit a private provider more than 4 times in a calendar year unless the building official determines the condition of a building constitutes an immediate threat to public safety and welfare.



“It can be challenging for municipalities to meet specialized plan review and inspection needs for complex projects. That’s why some of the larger private providers like Bureau Veritas provide a full range of specialized plan review and inspection services, from structural plan reviews and inspections up to specialized building commission and sustainable LEED management consulting services. This allows developers to schedule inspections that are tailored to their projects’ specific needs, no matter how specialized they may be.”

Van Tran, C.O.O., Facilities at Bureau Veritas

CONSIDERATIONS WHEN SELECTING A PRIVATE PROVIDER

To achieve the best ROI from working with a private inspection company, it's crucial to select a provider with the capacity to perform comprehensive, effective, and timely plan review and inspections.

Its plan reviewers and inspectors must be familiar with Florida state codes and any relevant municipal construction and building codes. They should also possess the appropriate technical expertise, be able to perform plan reviews and inspections efficiently, and understand how the various components are handled within the building code. Furthermore, they should be skilled at communicating with architects, engineers, and contractors regarding any changes that need to be made to building plans or construction practices in order to comply with regulations. Finally, they should be in close proximity to the construction site so they can respond to review and inspection requests in a timely manner.

THE BENEFITS OF WORKING WITH PRIVATE PROVIDERS

Both developers and municipalities can benefit from working with private providers.

Thanks to reduced wait times and increased availability of specialized inspectors, developers can keep their construction projects on schedule and on budget, allowing them to complete their projects so they can start generating revenue without delay. At the same time, municipal building departments gain partners that can assume some of the workload during times of peak demand and provide additional expertise where needed. This reduces municipalities' need to ramp up hiring during busy seasons; plus, it saves them the costs of recruiting specialized talent that might be underused in more general settings. Last, but certainly not least, by providing experienced, specialized inspection professionals and reducing municipal inspectors' workloads, private inspection companies can help ensure the quality of inspections and by extension, the quality of the buildings.

IN CONCLUSION

The ongoing shortage of construction and building code professionals in Florida often results in long, costly delays in project development and can even compromise the safety of buildings. Thanks to the 2019 amendment to Florida Statute 553.739, it's now more financially feasible for developers to use private providers instead of waiting for municipal inspectors to become available, thereby allowing them to move forward with their projects as planned. Moreover, because private parties can help unburden municipal building departments during peak times and provide specialized inspectors where needed, they can help assure the safety of construction projects. All of these factors combined enhance the already beneficial investment environment, which can help developers attract more business and ultimately, promote further expansion of Florida's construction industry.



FOOTNOTES

[1] http://www.leg.state.fl.us/statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App_mode=Display_Statute&Search_String=553.791&URL=0500-0599/0553/Sections/0553.791.html

[2] University of Florida's Florida Construction Workforce Taskforce Report - [https://www.cce.ufl.edu/projects/current-projects/construction-workforce-taskforce/\[4\]](https://www.cce.ufl.edu/projects/current-projects/construction-workforce-taskforce/[4]) <https://www.flsenate.gov/Session/Bill/2017/1312/BillText/c2/HTML>

[3] <https://www.flsenate.gov/Session/Bill/2019/07103>



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