CITY OF DORAL
COUNCIL MEETING MEMORANDUM

ITEM TITLE:

A RESOLUTION OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA, AMENDING THE FEE SCHEDULE FOR THE BUILDING DEPARTMENT ADOPTED BY ORDINANCE 2004-15 AND AMENDED THEREAFTER, TO REPLACE VALUATION AND PERCENTAGE-BASED PERMIT FEES WITH A SIMPLIFIED, TIERED, FLAT FEE STRUCTURE BASED ON THE COST OF SERVICE, IN ORDER TO COMPLY WITH SECTION 166.033(9), FLORIDA STATUTES, AS CREATED BY HOUSE BILL 399 (2026 REGULAR SESSION) EFFECTIVE OCTOBER 1, 2026; AND TO AMEND THE DEVELOPMENT SERVICES TECHNOLOGY FUND FEE SCHEDULE PROVIDING A MORE SOLVENT FUND; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR INCORPORATION OF RECITALS; AND PROVIDING FOR AN EFFECTIVE DATE

DEPARTMENT RECOMMENDATION:

Approval

BRIEF HISTORY:

The Building Department's fee schedule was originally adopted by Ordinance 2004-15. It was most recently and comprehensively amended by Resolution No. 24-161, adopted August 14, 2024 and effective January 1, 2025, following a permit fee utilization study performed by JRD and Associates (procured under Resolution No. 22-110). On staff and JRD's recommendation at the time, that update moved primary base permit fees to a percentage-of-construction-value model:

$250 flat minimum below $10,000
2.5% for value of construction between $10,001 and $10,000,000
2.0% above $10,000,000

This was the simplest and most defensible cost-recovery method available under the law as it then stood. This fee schedule is not a longstanding holdover but the valuation-based structure it adopted is exactly what a subsequent 2026 state law now prohibits.

During the 2026 Regular Session, the Florida Legislature passed two acts directly affecting the Building Department's fee structure and permitting process.

Their effective dates are not the same and should not be read together:

(1) HB 399 / Chapter 2026-7, Laws of Florida (approved by the Governor and filed with the Secretary of State on March 27, 2026). Most of the act took effect on that date, but Sections 1 and 2, which amend ss. 125.022 and 166.033, Florida Statutes, are expressly effective January 1, 2027. Section 2 (municipalities) requires that development permit application fees reasonably relate to the direct and indirect cost of review, processing, and disposition, be published on the municipality's fee schedule, and prohibits fees based on a percentage of construction cost, site cost, or project valuation. This is the provision the attached Resolution is designed to satisfy, and the City has until January 1, 2027 to comply.

(2) HB 803 (Chapter 2026-63, Laws of Florida) (approved by the Governor and filed with the Secretary of State May 6, 2026); took effect July 1, 2026 under the act's single effective-date section, and is already in force. It does two distinct things relevant here. First (SS 553.791, F.S.), it requires a private-provider registration system and mandatory permit fee reductions when a fee owner elects to use a private provider for plan review and/or inspection services: at least a 25 percent reduction of the affected portion of the fee for commercial projects using a private provider for plan review or inspection alone, and at least a 50 percent reduction of the total permit fee where a private provider performs all required plan review and inspection. The Building Department's private-provider process and these fee reductions are already implemented administratively; the tiered fee schedule in Exhibit "A" is structured to continue applying them. Second, and independent of the private-provider provisions (SS553.79(1)(f), F.S.), the act prohibits ALL building inspection fees (not just those tied to private-provider permits) from being based on total project cost, and caps them at the Department's actual inspection cost. This second requirement has also been in force since July 1, 2026 and should be confirmed against the current fee schedule independently of the January 1, 2027 deadline above.

Two additional items are relevant before Council acts on this Resolution. First, Section 553.80(7)(b), Florida Statutes, requires a local government to update its building permit and inspection utilization report before making any adjustments to its fee schedule. The City's last utilization report accompanied the FY2024 study underlying Resolution No. 24-161. Staff has prepared an updated FY25 Permit Fee Utilization Report to accompany this fee schedule change, attached as Attachment B. Second, the currently published Fee Schedule A (Exhibit A to Resolution No. 24-161) states private-provider fee reductions of 30 percent (plans review and inspections) and 15 percent (inspections only), below the 25 percent/50 percent statutory floor required for commercial private-provider permits since July 1, 2026 under Section 553.791(2)(d), Florida Statutes. Staff has been applying the higher statutory percentages administratively for commercial permits since that date, but the published fee schedule has not been updated to match. This Resolution's Exhibit "A" corrects that by formally publishing the current, compliant percentages.

In response to HB 399, staff engaged in a fee schedule study of current review and inspection costs and developed a simplified, tiered fee structure (Tiers 0 through 5) that assigns a flat, non-refundable intake fee, a flat base review fee, a flat base inspection fee, and a flat reinspection/trip fee to each class of work, with rework billed at a constant hourly rate by discipline. This structure ties each fee to the Department's actual cost of providing the service, consistent with HB 399, and is attached as Exhibit "A" to the accompanying Resolution.

Separately, the Development Services Technology Fee (BD595), currently assessed at 0.15% of total construction cost to fund the Development Services Technology Fund, is itself a percentage-of-construction-cost fee and therefore independently subject to the same January 1, 2027 prohibition under Section 166.033(9), Florida Statutes, as the base permit fees. This Resolution restructures the Technology Fee as a flat, per-transaction fee applicable to permits, inspections, extension requests, lien searches, default registrations, Special Magistrate cases, plans, and Business Tax Receipts. The restructured fee also extends to Code Compliance and Business Licensing transactions not previously assessed the fee; Council should be aware this is a new fee for those transaction types, not a rate change to an existing one. Additionally, the Internal Services Load component of the Department's actual-cost rate methodology (Exhibit A, Exhibit C) is derived from the City's Full Cost Allocation Plan prepared by Sequoia Consulting Group, dated August 7, 2017, based on Fiscal Year 2016 actual expenditures. No subsequent Cost Allocation Plan update has been performed. Staff recommends Council separately authorize an updated Cost Allocation Plan to ensure this component of the fee methodology reflects current departmental and citywide cost structures. Lastly, adopting a productive-hour divisor would raise cost recovery materially without altering the load factor or the underlying methodology. The Department has not applied that adjustment in this schedule, in order to present Council with the most conservative defensible rate table ahead of the statutory deadline. Staff recommends Council direct the Department to evaluate a productive-hour divisor for the FY28 fee cycle, concurrent with the updated Cost Allocation Plan recommended above.

LEGISLATIVE ACTION: (IF APPLICABLE)

Date:	Resolution/Ordinance No.	Comments
August 12, 2026	Resolution No. 2026-XX	Adopts revised Building Department fee schedule (Exhibit A) to comply with s. 166.033(9), F.S., as amended by HB 399 (2026), effective 1/1/2027
August 14, 2024	Resolution No. 24-161	Adopted a Building Department fee schedule based on Value-of-construction and eliminated general trade sub fees; Update Building Department BD595 Technology Fee
September 18, 2018	Ordinance No. 18-18	Adopted Budget & Technology Fund
September 22, 2004	Ordinance No. 2004-15	Original enabling ordinance

FINANCIAL INFORMATION: (IF APPLICABLE)

No.	Amount	Account No.	Source of Funds
1.	TBD (See Fiscal Impact Statement)	Building Department Revenue 322100	Building Permit Fees (Building Fund)
2.	TBD	Development Services Revenue 341904	Dev Services Tech Fees (Building Fund, General Fund

			Departments incl PW, PZ, CC)
Total:	TBD		

Fiscal Impact Statement: The proposed item has a fiscal impact on Building Fund permit revenues and Development Services Technology Fund revenues. The dollar impact is to be determined and evaluated in partnership with the Finance Department quarterly to ensure department solvency and will separately identify the effect of extending the Development Services Technology Fee to Code Compliance and Business Licensing transactions.

STRATEGIC PLAN ALIGNMENT:

Effective, Efficient & Responsive Government supports fiscal sustainability and regulatory compliance by aligning Building Department fees with actual cost of service and bringing the fee schedule into compliance with state law ahead of the January 1, 2027 statutory deadline.

ATTACHMENT(S):

A. FY27 Fee Schedule
B. FY25 Permit Fee Utilization Report
C. Executive Report
D. Draft Resolution
E. Default Reviews by Trade and Work Class
F. Work Class Allocation Matrix
G. Comparison Analysis
H. Simplified Fee Matrix
Y. Infographic