

TOWN OF HIGHLAND BEACH

BUILDING DEPARTMENT

3614 South Ocean Boulevard | Highland Beach, Florida 33487

INSPECTION AND PLAN REVIEW COST ANALYSIS SUMMARY

Fiscal Year 2024-2025 | Prepared: May 2026

Purpose

CS/CS/HB 803, effective July 1, 2026, requires that inspection fees charged by local enforcement agencies not exceed actual inspection costs and not function as penalties. The same legislation establishes minimum permit fee reduction requirements when licensed private providers perform plan review or inspection services in lieu of the local enforcement agency. This summary describes how the Building Department determined compliance requirements for both provisions.

Inspection Cost Determination

The Building Department conducted a full cost analysis of all departmental expenditures for fiscal year 2024-2025 attributable to the inspection function. The analysis considered subcontracted field inspection services, internal inspector compensation, Building Official time allocated to field inspections, permit technician time supporting inspection scheduling and records, vehicle costs, technology, training, and a proportionate share of administrative overhead. All figures were drawn from actual FY 2024-2025 budget records.

Total allocable inspection costs were divided by the total number of inspections performed during the fiscal year, which was 7,075 inspections across Highland Beach and Gulf Stream combined. The result is a documented actual cost of \$103.85 per inspection.

The current reinspection fee schedule uses progressive tiers that escalate with each failure, functioning as a penalty rather than a recovery of actual cost. That structure does not comply with HB 803. The amended fee schedule replaces the progressive tiers with a flat reinspection fee of \$100.00 per reinspection, regardless of the number of prior failures on the same permit. This fee is below the documented actual cost per inspection and is fully compliant.

Plan Review Cost and Private Provider Discount Determination

A companion cost analysis identified all departmental expenditures attributable to the plan review function using the same methodology. Combined with the inspection cost analysis, this established that plan review and inspection services together account for just over half of total Building Department expenditures for FY 2024-2025. The remaining portion represents administrative functions, including permit intake and processing, floodplain management, planning and zoning coordination, code compliance, and general departmental operations.

HB 803 requires a minimum permit fee reduction when a licensed private provider is retained. It is important to note that the statute does not require a reduction of 25 or 50 percent from the total permit fee. The Town's permit fee is a bundled fee that covers plan review, inspections, and substantial administrative functions. The statute requires the discount to be calculated only from the portion of the permit fee attributable to plan review and inspection services. The administrative portion of the fee is not subject to the discount requirement and is excluded from the calculation.

Specifically, HB 803 requires a reduction of at least 25 percent of the service-attributable portion when a private provider performs either plan review or inspections alone, and at least 50 percent of the service-attributable portion when a private provider performs both. Because plan review and inspection services represent just over half of the total permit fee, applying 50 percent to that portion produces a required minimum discount of approximately 25 percent of the total permit fee, not 50 percent of the total permit fee.

The amended fee schedule adopts discount rates calculated from this service-attributable base. The adopted rates meet or exceed the statutory minimums for all permit types, residential and commercial, and are structured uniformly for administrative simplicity.

Jeff Remas, CBO

Building Official, Town of Highland Beach

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