

## REPORT TO CITY COUNCIL

**DATE: DECEMBER 10, 2008**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: GREG RAMIREZ, CITY MANAGER**

**BY: AMIR HAMIDZADEH, BUILDING OFFICIAL**

**SUBJECT: REQUEST TO IMPLEMENT SENATE BILL (SB 1473) AND THE COLLECTION OF THE APPROPRIATE FEES; JANUARY 1, 2009**

---

The purpose of this report is to inform the City Council about Senate Bill 1473 that was recently passed into law and to have the Council acknowledge and direct staff to start the collection of the appropriate fees starting January 1, 2009.

On September 30 of this year, Governor Schwarzenegger signed SB 1473 into law. It will take effect on January 1, 2009. Among other things, the bill provides for the creation of the Building Standards Administration Special Revolving Fund, which is established in the State Treasury. Monies deposited in this fund will come from a surcharge on both residential and nonresidential building permits.

The bill requires that each city and county collect a fee from an applicant for a building permit, assessed at the rate of four dollars (\$4) per one hundred thousand dollars (\$100,000) in valuation, with appropriate fractions thereof, but not less than one dollar (\$1). "Appropriate fractions thereof" is interpreted to be \$1 per every twenty-five thousand (\$25,000) in valuation per table illustrated below. Fees will be submitted quarterly to the California Building Standards Commission (CBSC), as follows:

<b>Permit Valuation</b>	<b>Fee</b>
\$1 – 25,000	\$1
\$25,001 – 50,000	\$2
\$50,001 – 75,000	\$3
\$75,001 – 100,000	\$4
Every \$25,000 or fraction thereof above \$100,000	Add \$1

In addition, SB 1473 states that the city or county may retain up to ten (10) percent of the fees collected for related administrative costs and for code enforcement education. The bill requires that the local jurisdiction transmit the remainder to CBSC for deposit in the Building Standards Administration Special Revolving Fund.

Once appropriated, monies deposited in this fund will be available to CBSC, the Department of Housing and Community Development, and the Office of the State Fire Marshal for expenditure in carrying out the provisions of the State Building Standards Law and provisions of State

Housing Law that relate to building standards. Emphasis is to be placed on the development, adoption, publication, updating, and educational efforts associated with green building standards.

The City of Agoura Hills Building and Safety Department is set up to collect this fee through the EnerGov Solution software that is used for permit issuance. Staff has contacted our software consultants and they are available to make the necessary changes to our permitting program in order to collect and track this fee. Staff has also set up a separate finance account in order to better track these fee deposits and to disburse them accordingly.

First quarter fees will begin January 1, 2009 and end on March 31, 2009. The notification and report of that quarter's fee will be due on April 15, 2009 to the CBSC. In order to stay consistent throughout the State, a Fee Report Sheet was created which all jurisdictions are required to use for tracking their fees and submittal of their report to CBSC. A sample of this form for the first quarterly report is attached.

## **RECOMMENDATION**

Staff respectfully recommends the City Council direct staff to establish and begin collecting the fee in compliance with Senate Bill 1473, effective January 1, 2009.

Attachment: Senate Bill 1473  
Sample Quarterly Report Form

**Senate Bill No. 1473**

**CHAPTER 719**

An act to add Sections 18930.5, 18931.6, 18931.7, and 18938.3 to the Health and Safety Code, relating to building standards.

[Approved by Governor September 30, 2008. Filed with  
Secretary of State September 30, 2008.]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1473, Calderon. Building standards.

(1) The California Building Standards Law provides for the adoption of building standards by state agencies by requiring all state agencies that adopt or propose adoption of any building standard to submit the building standard to the California Building Standards Commission for approval or adoption.

This bill would require the commission to adopt, approve, codify, update, and publish green building standards for any occupancy for which no state agency has the authority or expertise to propose those standards.

The bill would require each city, county, or city and county to collect a fee from any applicant for a building permit, assessed at the rate of \$4 per \$100,000 in valuation, as determined by the local building official, with appropriate fractions thereof, but not less than \$1. The bill would authorize the city, county, or city and county to retain not more than 10% of the fees collected for related administrative costs and for code enforcement education, including certifications in the voluntary construction inspector certification program. The bill would require the city, county, or city and county to transmit the remainder to the commission for deposit in the Building Standards Administration Special Revolving Fund which the bill would establish in the State Treasury. The bill would establish a state-mandated local program by imposing additional duties on local government.

The bill would require that all funds received by the commission under the California Building Standards Law be deposited in the fund and be available, upon appropriation, to the commission for expenditure in carrying out these provisions of existing law and certain other provisions of existing law that relate to building standards, with emphasis placed on the development, adoption, publication, updating, and educational efforts associated with green building standards.

The bill would authorize the commission and the Department of Housing and Community Development to use, as the basis for the California Building Standards Code, certain model codes adopted by the commission as the basis for the 2007 triennial edition of the California Building Standards Code.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. (a) It is the intent of the Legislature that this act shall not affect the ability of a city, county, or city and county to adopt changes, modifications, amendments, additions, or deletions to the California Building Standards Code, including, but not limited to, green building standards.

(b) It is the intent of the Legislature that the Building Standards Commission and the Department of Housing and Community Development shall submit a joint expenditure plan for the use of funds allocated under this act.

(c) It is the intent of the Legislature that any educational programs funded under this act be coordinated to the maximum extent possible with similar efforts so as to expand the reach and effectiveness of each program.

SEC. 2. Section 18930.5 is added to the Health and Safety Code, to read:

18930.5. If no state agency has the authority or expertise to propose green building standards applicable to a particular occupancy, the commission shall adopt, approve, codify, update, and publish green building standards for those occupancies.

SEC. 3. Section 18931.6 is added to the Health and Safety Code, to read:

18931.6. (a) Each city, county, or city and county shall collect a fee from any applicant for a building permit, assessed at the rate of four dollars (\$4) per one hundred thousand dollars (\$100,000) in valuation, as determined by the local building official, with appropriate fractions thereof, but not less than one dollar (\$1).

(b) The city, county, or city and county may retain not more than 10 percent of the fees collected under this section for related administrative costs and for code enforcement education, including, but not limited to, certifications in the voluntary construction inspector certification program, and shall transmit the remainder to the commission for deposit in the Building Standards Administration Special Revolving Fund established under Section 19831.7.

(c) The commission may reduce the rate of the fee upon determining that a lesser amount is sufficient to maintain the programs established under this part.

SEC. 4. Section 18931.7 is added to the Health and Safety Code, to read:

18931.7. (a) All funds received by the commission under this part shall be deposited in the Building Standards Administration Special Revolving Fund, which is hereby established in the State Treasury.

(b) Moneys deposited in the fund shall be available, upon appropriation, to the commission the department, and the Office of the State Fire Marshal

for expenditure in carrying out the provisions of this part, and the provisions of Part 1.5 (commencing with Section 17910) that relate to building standards, as defined in Section 18909, with emphasis placed on the development, adoption, publication, updating, and educational efforts associated with green building standards.

SEC. 5. Section 18938.3 is added to the Health and Safety Code, to read:

18938.3. With respect to the model codes that are designated in Sections 17922 and 18938 to serve as the basis for the California Building Standards Code but are no longer published, the building standards adopted and approved by the commission shall be those contained in the most recent editions of the model codes adopted or approved by the commission to serve as the basis for the 2007 triennial edition of the California Building Standards Code. Those model codes designated in Sections 17922 and 18938 that continue to be published and updated shall continue to serve as the basis for the California Building Standards Code. With respect to Section 17922, other model codes may be considered for use, proposal, approval, or adoption, or any combination thereof, provided they do not duplicate building standards, as proposed by the Department of Housing and Community Development and adopted by the commission, the subject matter of the model codes which serve as the basis for the 2007 triennial edition of the California Building Standards Code.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

THIS PAGE INTENTIONALLY LEFT BLANK.

**FEE REPORT**

**BUILDING STANDARDS ADMINISTRATION SPECIAL REVOLVING FUND**

FOR THE QUARTER BEGINNING \_\_\_\_\_ THROUGH \_\_\_\_\_ YEAR \_\_\_\_\_

1. Name of  City or  County for which fees are being remitted:

\_\_\_\_\_

Prepared by: \_\_\_\_\_ Agency: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Number Street

Post Office Box Number

City Zip Code

Contact Person: \_\_\_\_\_ Phone No.: \_\_\_\_\_

2. Fees assessed on permits for which a valuation is determined at a rate as follows:

Permit Valuation	Fee
\$1 – 25,000	\$1
\$25,001 – 50,000	\$2
\$50,001 – 75,000	\$3
\$75,001 – 100,000	\$4
Every \$25,000 or fraction thereof above \$100,000	Add \$1

Total fees assessed: \$ \_\_\_\_\_

3. Less 10% local government retainer: \$ \_\_\_\_\_

4. Total fees enclosed: \$ \_\_\_\_\_

*Under penalty of perjury, I declare that I have examined this report, and to the best of my knowledge and belief, it is true, correct, and complete.*

\_\_\_\_\_  
Authorized Signature Position Title Date

Please make check payable to the *California Building Standards Commission*. Mail check and Fee Report form to:

California Building Standards Commission  
2525 Natomas Park Drive, Suite 130  
Sacramento, CA 95833