



Guide to Filing Building Permit Surcharge Fees (SB1473 Fees)

Information for cities and counties on the requirement for filing building permit surcharge fees with the California Building Standards Commission.

**An educational publication from the
California Building Standards Commission**

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BUILDING PERMIT

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Contact Us

The CBSC Fund Administrator is available to answer questions regarding the permit surcharge fees or related forms.

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

Phone: (916) 263-0916;

Fax: (916) 263-0959

Email: cbsc@dgs.ca.gov

Web: www.bsc.ca.gov

Introduction

This Guide is provided by the California Building Standards Commission (CBSC) for the purpose of clarifying the requirements and process in state law and regulations for cities, counties, and cities and counties to collect a permit surcharge fee for remittance to the CBSC when issuing permits to construct buildings, or add to or alter existing buildings.

Legislative Background

The California legislation that created the requirement for the permit surcharge fee was Senate Bill 1473 of 2008 (Chapter 719, Statutes of 2008). It added new Sections 18931.6 and 18931.7 to the Health and Safety Code. These two sections of state law are provided in Appendix 1 located at the back of this Guide. Health and Safety Code Section 18931.7 has been amended twice by legislation, most recently by AB 341 (Chapter 585, Statutes of 2013).

The legislative purpose for establishing the permit surcharge fee is stated in Health and Safety Code Section 18931.7, which is to fund the activities of the CBSC, Department of Housing and Community Development (HCD), and Office of the State Fire Marshal (SFM), in carrying out the mandates in the California Building Standards Law (Health and Safety Code, Division 13, Part 2.5), and State Housing Law (Health and Safety Code, Division 13, Part 1.5), relating to building standards. Section 18931.7 reads in part:

“...emphasis placed on the development, adoption, publication, and updating of green building standards, the updating of verification guidelines for Tier 1 or Tier 2 green building standards and educational efforts, including, but not limited to, training for local building officials associated with green building standards.”

Implementing Regulations

To implement the requirements of the cited Health and Safety Code provisions the CBSC adopted implementing regulations beginning with Section 1-501 in Article 5 of Chapter 1, of Part 1, California Administrative Code, of Title 24, California Code of Regulations. The regulations are provided in Appendix 2 located at the back of this Guide.

Principle Requirements

The state law and regulations referenced previously include the following requirements:

1. Every California city, county, or city and county building department is required to collect and remit the required permit surcharge fee to the CBSC.
2. The permit surcharge fee shall be levied on permits required for all disciplines subject to the California Building Standards Code in Title 24, California Code of Regulations, including but not limited to, building, electrical, mechanical and plumbing, and for which a valuation is made. The fee applies to new construction and the addition or alteration of existing buildings. Reference Section 1-505(a) provided in Appendix 2 located at the back of this Guide.
3. Calculate the permit surcharge fee as required by Section 1-505 (b), Fee Assessment, which reads:

Fees are assessed at a rate of \$4 per \$100,000 of permit valuation, but not less than one dollar, with appropriate fractions thereof shown in the following table:

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

For the complete text of Section 1-505, refer to Appendix 2 located at the back of this Guide

See *Fee Calculation Examples* beginning on page 3 of this Guide.

4. Each city, county, and city and county may retain up to ten-percent (10%) of the collected permit surcharge fee to cover the cost of administration, code enforcement and education as permitted by Health and Safety Code Section 18931.6.
5. Submit the permit surcharge fee, less the allowed administrative fee up to ten-percent (10%), to the CBSC each quarter by the fifteenth (15th) day of the

following month. Submit only whole dollar amounts to the CBSC, not fractional parts of a dollar. Make the check payable to the “California Building Standards Commission.

Submittal schedule:

Quarter	Due Date
January 1 through March 31	April 15
April 1 through June 30	July 15
July 1 through September 30	October 15
October 1 through December 31	January 15

6. The submitted permit surcharge fee must be accompanied by the following forms:

- [Fee Report Form \(BSC-2\)](#), which is available at CBSC’s website in *fill and print* format. See Appendix 3 located in the back of this Guide for a sample of the form.
- [Contact Information Form \(BSC-3\)](#), which is also available at the CBSC website in *fill and print* format. See Appendix 4 located in the back of this Guide for a sample of the form.

Note: Following the initial filing, the BSC-3 form is required only when a change to the submitting agency’s information has occurred.

7. Submit the completed form(s) and permit surcharge fee to the:

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

The completed form(s) and permit surcharge fee must be submitted together. Facsimiles and e-mailed forms are not acceptable for purposes of filing.

Fee Calculation Examples

Fees shall be calculated as required by Section 1-505(b) of Title 24, Part 1, Chapter 1, California Code of Regulations, provided above in Principle Requirements and in Appendix 2 of this Guide.

Example Calculation #1, for a Valuation of \$14,120:

- If the determined permit valuation is \$14,120;
- The table in Section 1-505 requires \$1.00 for every \$25,000 of valuation or fraction thereof;
- Thus for the valuation of \$14,120, the total surcharge fee is \$1.00.

Example Calculation #2, for a Valuation of \$38,311:

- If the determined permit valuation is \$38,311;
- The table in Section 1-505 requires \$1.00 for the first \$25,000 of valuation;
- Plus \$1.00 for the remaining fraction of \$13,211 valuation;
- For a total surcharge fee of \$2.00.

Illustration:

Valuation: \$38,311	Calculation	Surcharge Fee
	First \$25,000 =	\$1.00
	Remaining Fractional part of \$13,211 =	\$1.00
	Total Permit Surcharge Fee:	\$2.00

Example Calculation #3, for a Valuation \$1,000,000:

- If the determined permit valuation is \$1,000,000;
- The table in Section 1-505 requires \$4 for the first \$100,000 of valuation;
- Plus \$1 for each additional \$25,000 of valuation. Thus \$1,000,000 less the first \$100,000 = \$900,000 divided by \$25,000 equals \$36;
- For a total surcharge fee of \$40

Illustration:

Valuation: \$1,000,000	Calculation	Surcharge Fee
	First \$100,000 =	\$4.00
	Remaining \$900,000 ÷ \$25,000 =	\$36.00
	Total Permit Surcharge Fee:	\$40.00

Example Calculation #4, for a Valuation of \$12,326,465:

- If the determined permit valuation is \$12,326,465;
- The table in Section 1-505 requires \$4 for the first \$100,000 of valuation;
- Plus \$1 for each additional \$25,000 of valuation, or fraction thereof. Thus \$12,326,465 less the first \$100,000 = \$12,226,465. \$12,226,465 divided by \$25,000, equals 489, for a fee of \$489, with a remaining fractional part;
- Plus \$1 for the remaining fraction thereof (\$1,455);
- For a total surcharge fee of \$494.00.

Illustration:

Valuation: \$12,326,465	Calculation	Surcharge Fee
	First \$100,000 =	\$ 4.00
	\$12,326,465 - \$100,000 = \$12,226,465.	
	\$12,226,465 ÷ \$25,000 = 489	\$489.00
	Remaining fractional part, \$1,455 =	\$1.00
	Total Permit Surcharge Fee:	\$ 494.00

The calculated fee to be submitted to the CBSC must be rounded up to the next whole dollar. Remit only whole dollar amounts to CBSC.

After calculating the permit surcharge fee, use this table to assist in verifying that the calculation is accurate.

If the Valuation Ranges:	Your Calculated Fee should be:
From \$100,000 to \$250,000	From \$4 to \$10
From \$250,000 to \$500,000	From \$10 to \$20
From \$500,000 to \$1,000,000	From \$20 to \$40
From \$1,000,000 to \$1,500,000	From \$40 to \$60
From \$1,500,000 to \$2,000,000	From \$60 to \$80
From \$2,000,000 to \$5,000,000	From \$80 to \$200
From \$5,000,000 to \$10,000,000	From \$200 to \$400
From \$10,000,000 to \$20,000,000	From \$400 to \$800
From \$20,000,000 to \$30,000,000	From \$800 to \$1,200
From \$30,000,000 to \$40,000,000	From \$1,200 to \$1,600
From \$40,000,000 to \$50,000,000	From \$1,600 to \$2,000
From \$50,000,000 to \$70,000,000	From \$2,000 to \$2,800

Frequently Asked Questions

1. What is SB 1473 and what is the money for?

Senate Bill 1473, Statutes of 2008 (Calderon), was enacted to require a surcharge on building permits in order to provide funds for the CBSC, HCD and SFM to use in carrying out the mandates of the California Building Standards Law and of State Housing Law relating to building standards. See the Health and Safety Code Sections in Appendix 1 located at the back of this Guide. Also see the discussion on page 1 of this Guide regarding Legislative Background.

2. How is the permit surcharge fee calculated?

Refer to Section 1-505(b) available in Appendix 2, and the explanation and examples provided in Fee Calculation Examples on pages 3 through 5 of this Guide.

3. Must the Fee Report Form accompany the check?

Yes! The completed and signed Fee Report Form (BSC-2) must be mailed with the check for a number of important reasons:

- The signed Fee Report Form certifies that the permit surcharge fee assessed on permits is true, correct and complete to the best of the signatory's knowledge and belief;
- The Fee Report Form provides data that ensures that the permit surcharge fee amount is applied to the correct city, county, or city and county and for the appropriate quarter; and
- The Fee Report Form reflects who reviewed and approved each quarterly submittal.

4. When are the permit surcharge fees due?

The permit surcharge fees and Fee Report Form (BSC-2) are due on the fifteenth (15th) day of the following month of each reporting quarter as shown in the table on page 3. See the discussion items 5 and 6 on pages 2 and 3 of this Guide.

Note: When changes have been made to the submitting agency's information, the Contact Information Form (BSC-3) is also required to accompany the submittal.

5. How do we explain this permit surcharge fee to our constituents when we add it to a permit fee?

See the Legislative Background discussion on page 1 of this Guide. We recommend that local jurisdictions create an explanatory document for the public and provide it as a counter handout.

In brief, the fee was established by the legislature to fund the adoption, publication and educational efforts associated with building standards with an emphasis on green building standards.

6. We have overlooked a reporting quarter. What should we do now?

If a city, county, or city and county overlooks a reporting quarter(s), a Fee Report Form for each past due quarter must be completed and submitted with the respective fees. However the past and current quarterly fees may be paid in one check payable to the CBSC.

Example:

Past Due Quarters	Current Quarter	Fee Report Required	Contact Form Required*	Fees	Check Total
Jan-Mar 2013		x		\$4560	
Apr-June 2013		x		\$7420	
	Oct-Dec 2013	x	x	\$3680	
					\$15,660

*Following the initial filing, the Contact Form is required only when a change to the information has occurred.

7. Can one check be submitted for multiple quarterly reports?

Yes! See answer to Question 6 above.

8. Can we contact the CBSC with questions regarding the fee calculation and reports?

Yes! Contact the CBSC Fund Administrator at (916) 263-0916 or by email at CBSC@dgs.ca.gov. The Fund Administrator is available to assist with questions regarding permit surcharge fees and related forms. The complete contact information is available on page ii of this guide.

Other Available Training and References

The California Building Standards Commission has developed a variety of educational materials and publications that are available on the CBSC website (<http://www.bsc.ca.gov/>). The materials may be accessed at no cost and read online or printed for your use and distribution. Look on our website home page and under the *Education* or *Publications* tabs for the following materials.

- How to Use our Website
- Glossary of Terms
- Frequently Asked Questions
- Codes Online (Title 24)
- Guide to Title 24 (2013 & 2010 editions)
- Guide to the (Non-Residential) 2010 California Green Building Standards Code
- Guide to the (Non-Residential) 2013 California Green Building Standards Code
- Guide to California Green Building Standards Code, Non-Residential (Commissioning)
- Guide to Local Amendments and Filings
- It's Your Building Department (For Local Jurisdictions)
- Accessing State Regulations Online
- Accessing State Laws Online
- Accessing State Legislation Online
- Guide for Creating Proposed Building Standards (For State Agencies)
- Building Standards Information Bulletins
- CALCode Quarterly, an e-publication online newsletter
- Zero-Emission Vehicles in California: Community Readiness Guidebook (Published by the Governor's Office of Planning and Research)
- Local Amendments – Webinar
- Calendar of Events (PowerPoint Presentations)

Appendix 1: State Law Regarding the Permit Surcharge Fee

Health and Safety Code Section 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.

(Added by Stats. 2008, Ch. 719, Sec. 3. Effective January 1, 2009.)

Health and Safety Code Section 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, and updating of green building standards, the updating of verification guidelines for Tier 1 or Tier 2 green building standards and educational efforts, including, but not limited to, training for local building officials associated with green building standards.

(Amended by Stats. 2013, Ch. 585, Sec. 3. Effective January 1, 2014.)

(Amended by Stats. 2009, Ch. 140, Sec. 108. Effective January 1, 2010.)

(Added by Stats. 2008, Ch. 719, Sec. 3. Effective January 1, 2009.)

Appendix 2: CBSC Regulations to Implement the Permit Surcharge Fee Law

Title 24, Part 1, Chapter 1, Article 5

CITY, COUNTY, AND CITY AND COUNTY BUILDING PERMIT FEES

1-501. Purpose. *This article establishes regulations for implementation of Health and Safety Code Section 18931.6 and 18931.7, to require a surcharge on building permits in order to provide funds, upon appropriation, for the California Building Standards Commission, Department of Housing and Community Development and Office of the State Fire Marshal to use in carrying out the provisions of California Building Standards Law and of State Housing Law relating to building standards, with emphasis placed on the adoption, publication and educational efforts associated with green building standards. The fees are to be collected by cities, counties, and cities and counties and transmitted to the California Building Standards Commission. The fees are based on building permit valuation.*

1-503. Definitions. *The words defined in this article shall have the meaning stated therein throughout California Code of Regulations, Title 24, Part 1, Chapter 1, Article 5.*

- (a) Building Standards Administration Special Revolving Fund (the Fund). The fund established in the State Treasury to receive funds submitted by the Commission pursuant to the provisions of Health and Safety Code Section 18931.6 and this article.*
- (b) Department. The Department of Housing and Community Development.*
- (c) Fees, appropriate fractions thereof. Fee increments for permit values less than one-hundred thousand dollars (\$100,000) as described in Section 1-505.*
- (d) Office. The Office of the State Fire Marshal.*

1-505. Fee assessment.

(a) Fees shall be levied on building permits required for all disciplines covered by Title 24, including, but not limited to, building, electrical, mechanical and plumbing, and for which a valuation is made.

(b) Fees are assessed at a rate of \$4 per \$100,000 of permit valuation, but not less than one dollar, with appropriate fractions thereof shown in the following table:

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

1. *Cities, counties, and cities and counties may retain up to ten percent (10%) of the fees for related administrative costs, code enforcement, and education as permitted by Health and Safety Code Section 18931.6.*
2. *Cities, counties, and cities and counties may exempt from fee assessment permits for which no valuation is made.*

(c) The Commission may reduce the rate of the fee by regulation upon determination that a lesser fee is sufficient to carry out the programs of the Commission, the Department and the Office. The Commission may establish a termination date or duration for the fee reduction period.

(Regulations continued from previous page)

1-507. Fee collection.

(a) Cities, counties, and cities and counties shall submit fees each quarter, commencing with the quarter beginning January 1 and ending March 31, 2009, due on the fifteenth day of the following month.

1. *Each quarter, a city, county, and city and county shall submit a Fee Report Form (BSC-2), Contact Information Form (BSC-3), and a check made payable to the California Building Standards Commission, with the fees collected for that quarter.*

Note: *The form templates are available for downloading at the Commission's website at <http://www.bsc.ca.gov/>.*

(b) The Commission shall deposit the moneys collected into the Building Standards Administration Special Fund for use, upon appropriation, by the Commission, the Department, and the Office for use as specified in Section 1-501.

Authority: Health and Safety Code Sections 18909(c), 18929, 18930.5, 18931.6 and 18931.7

Reference: Health and Safety Code Sections 18930.5, 18931.6 and 18931.7 HISTORY:

1. (BSC 02/08) Add new Article 1-10, City, County, and City and County Building Permit Fees. Effective on June 21, 2009.

Appendix 3: Fee Report Form BSC-2

This form must be completed, signed and included with permit surcharge fee submittals to the CBSC. It is available at the CBSC [website](#) in fill and print format:

FEE REPORT FORM													
BUILDING STANDARDS ADMINISTRATION SPECIAL REVOLVING FUND													
FOR THE QUARTER BEGINNING	THROUGH YEAR												
<input type="checkbox"/> Name of <input type="checkbox"/> City or <input type="checkbox"/> County for which fees are being remitted:													
Mailing Address:													
Number	Street												
Post Office Box Number													
City	Zip Code												
Contact Person:	Phone No.:												
Email:													
2. Fees assessed on permits for which a valuation is determined at a rate as follows:													
Number of permits assessed for valuation:													
Total assessed valuation of the permits:	\$												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Permit Valuation</th> <th style="width: 30%;">Fee</th> </tr> </thead> <tbody> <tr> <td>\$1 – 25,000</td> <td>\$1</td> </tr> <tr> <td>\$25,001 – 50,000</td> <td>\$2</td> </tr> <tr> <td>\$50,001 – 75,000</td> <td>\$3</td> </tr> <tr> <td>\$75,001 – 100,000</td> <td>\$4</td> </tr> <tr> <td>Every \$25,000 or fraction thereof above \$100,000</td> <td>Add \$1</td> </tr> </tbody> </table>		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
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												
3. Total fees assessed:	\$												
4. Less up to 10% local government retainer:	\$												
5. Total fees enclosed:	\$												
<p>Certification: 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.</p>													
Authorized Signature	Position Title												
	Date												
<p>Please make check payable to the <i>California Building Standards Commission</i>. <u>Mail check with Fee Report Form to:</u></p> <p>California Building Standards Commission 2525 Natomas Park Drive, Suite 130 Sacramento, CA 95833</p>													
BSC-2, Rev. 11/2013													

