

## Report Highlights

### Building Permit Fee Collections and Expenditures

Senate Resolution 263 of 2008 calls on the LB&FC to conduct a study of the funds collected from the fees imposed by the Pennsylvania Construction Code Act. This act created a \$2 fee to be assessed on every building permit issued. Act 157 of 2006 increased the fee from \$2 to \$4. The original \$2 fee is deposited into the Municipal Code Official Training Account. The additional \$2 fee imposed by Act 157, which took effect in January 2007, is to be deposited into the Construction Contractor Training Account.

- Since fees started to be collected in FY 2004-05, the total amount collected (as of 5/31/08) was \$2,466,136; \$1,901,001 (77%) of which has been deposited into the Municipal Code Official Training Account and \$565,135 (23%) of which has been deposited into the Construction Contractor Training Account.
- Of the \$1,901,001 that has been deposited into the MCOT account, \$1,028,254 (54%) has been disbursed to the Pennsylvania State Association of Township Supervisors (PSATS) to operate the Pennsylvania Construction Codes Academy (PCCA). The remaining \$872,747 remains in a Department of Community and Economic Development-administered MCOT account.
- The \$2 per permit training fee has allowed the PCCA to reduce the amount it charges for courses. In general, half-day courses were reduced from \$95 to \$50, one-day courses from \$195 to \$95; two-day courses from \$295 to \$195, and three-day courses from \$395 to \$295.
- No MCOT funds are used for state agency administrative purposes. DCED uses its GGO appropriation to cover its administrative costs.
- Of the \$565,135 that has been collected for the CCTA since January 2007, \$522,749 has been disbursed to support projects of The Pennsylvania State University's Pennsylvania Housing Research Center. The remaining amount (\$42,385) has been retained by DCED as an administrative fee. PSU does not charge PHRC overhead fees.
- The PHRC anticipates expenditures of \$473,536 from the CCTA account in FY 2008-09, leaving an anticipated balance of \$90,435 as of 6/30/09.
- Between July 2003 and June 2008, the PCCA offered 513 workshops that were attended by a total of 9,497 attendees. Between January 2008 and June 2008, the PHRC offered 21 training classes that were attended by a total of 545 attendees. A listing of the classes offered, their location, and number of attendees is included in the report.
- DCED reported that some municipalities have been slow to either collect or remit the MCOT and CCTA fees, and that there is no real enforcement mechanism to ensure the fees are being properly collected and remitted. Although much improved over the initial period, DCED still has difficulty receiving responses from about 10 percent of the "opt-in" municipalities. These municipalities are typically small, and DCED attributes most of the difficulty to internal communication issues within the municipalities.