

Title:	Review of Building Permit Fees Policy	
Policy Group: Your Community's Change and Growth	Policy Administrator: Development Services	
Resolution No. CW-53-2022	Policy Number: DS-01	
Approval Date: 2022-02-24	Revision Date: 2026-02-24	

1. Policy Statement

- a) The Corporation of the County of Prince Edward will collect building permit fees to recover the full cost of services where it is determined that a service, product or the use of resources provide direct benefits to identifiable individuals, groups of individuals or businesses, beyond those that accrue to the general public.

2. Purpose

- a) The purpose of this Policy is to provide a framework to ensure a consistent, transparent, efficient, and accountable approach for establishing and managing fees related to building services that promotes recovery of the full cost of services for which fees are charged.
- b) The Policy requires ongoing review of fees to ensure that they are adjusted to reflect changes in the cost of delivering permitting services, changes in service levels, as well as the continued relevance of policy objectives and actual outcomes.
- c) The Policy requires evidence-based support for fee structure changes to recover the full cost of service while:
 - (i) conforming with the *Building Code Act, 1992, S.O. 1992, c. 23*;
 - (ii) balancing the County's need to maximize cost recovery with stakeholder interests, affordability, and competitiveness;
 - (iii) reflecting industry best practices; and
 - (iv) considering the administrative process for the implementation of fees.

3. Scope

- a) This Policy applies to the Building Services Department in the County.

4. Legislative Authority

- a) Section 7 of the *Building Code Act, 1992, S.O. 1992, c. 23* prescribes the following:
 - (1) A Council of a municipality may pass by-laws respecting: (c) requiring the payment of fees and prescribing the amount of the fees;
 - (2) The total amount of the fees authorized under clause (1) (c) must not exceed the anticipated reasonable costs of the principal authority to administer and enforce this Act in its area of jurisdiction.
 - (4) Every 12 months, each principal authority shall prepare a report that contains such information as may be prescribed about any fees authorized under clause (1) (c) and costs of the principal authority to administer and enforce this Act in its area of jurisdiction.
 - (5) The principal authority shall make its report available to the public in the manner required by regulation.
 - (6) If a principal authority proposes to change any fee imposed under clause (1) (c), the principal authority shall,
 - (a) give notice of the proposed changes in fees to such persons as may be prescribed; and
 - (b) hold a public meeting concerning the proposed changes.
 - (7) The notice of proposed changes in fees must contain the prescribed information, including information about the public meeting, and must be given in the prescribed manner.
 - (8) The public meeting concerning proposed changes in fees must be held within the period specified by regulation before the regulation, by-law or resolution to implement the proposed changes is made.

5. Definitions

- a) **Act** means the *Building Code Act, 1992, S.O. 1992, c. 23*.
- b) **Direct Costs** means costs related to the review of applications for permits and the inspection of buildings.
- c) **Indirect Costs** means costs related to all support and overhead costs. Capital improvement costs, including floor space, furniture and equipment requirements are also included as indirect costs.
- d) **Policy** means this Review of Building Permit Fees Policy.

6. When to charge fees

- a) As the building permitting service benefits specific individuals, groups or business, the County shall set to recover the cost of providing the service.

7. Calculating full service costs:

- a) The Direct Costs and Indirect Costs of providing permitting services will be determined as the starting point for setting the fees.

8. Revenue allocation

- a) All permit fees collected under the authority of the *Act* must be used to administer and enforce said *Act*.
- b) The total cost of processing permit applications, issuing building permits and inspecting the construction authorized by those permits will be supported fully from the revenues generated by building permit fees.
- c) The costs are the Direct costs, administration costs of the sections, and support costs from other departments that are attributable to the business of processing, issuing and inspecting building permits. Capital improvement costs, including floor space, furniture, computer data processing (software/support and hardware) and equipment requirements, will also be supported from the revenue generated by building permit fees.
- d) Operating surplus revenues from a given budget year will be placed in a Building Services Reserve Fund. Any operating deficits in a given budget year will be funded from the Building Services Reserve Fund.
- e) The financial documentation of these costs and revenues are to be shown in monthly variance reports and budget documentation prepared for the Building Services Department by the Finance Department.

9. Budgeting

- a) As part of the annual budget process, Building Services will integrate a three-year activity forecast, together with a five-year history to demonstrate the context of the forecast which will include a report on turn around times of reviewing a building plan, issuing a permit, and providing necessary inspections.

- b) The forecast permit activity shall be used to predict anticipated revenues and together with the reasonably anticipated cost of providing services, will be used to confirm the appropriate level of permit fees.

10. Fee review and frequency

- a) The current Fees and Charges Building Permit Fees schedule sets out the full list of services and associated fees.
- b) A comprehensive review of fees and full costs of service shall be undertaken at least every five years, including:
 - (i) Reviewing the need to make inflationary adjustments to permit fees;
 - (ii) An assessment of the full cost of service (including Direct, Indirect, and capital costs) to be the starting point of all fee review;
 - (iii) Reviewing of cost recovery targets for plan review and permitting with regard for current cost recovery performance, available funding sources, and current legislation;
 - (iv) Consideration of variable pricing (e.g. minor vs. major) of fees to reflect the marginal costs of processing applications and applicant affordability; and
 - (v) Undertaking a survey of County and municipal fees to assess applicant affordability of fee recommendations.

11. Notice to the public and public consultation

- a) Where building permit fees are recommended to be introduced or changed, notice to the public and public consultation must occur in accordance with Ontario Regulation 236/05 made under the *Act*, attached hereto as Appendix A.
- b) Public consultation in addition to the opportunity to make presentations to the Committee of the Whole considering a fee changes, will be undertaken when fees are being recommended to Council for approval outside of the annual budget process.
- c) The consultation may elicit public input through a variety of channels and mechanisms (including circulation of information, written correspondence, in-person/virtual consultations, or open houses, etc.) should be adopted to ensure that stakeholders have been granted reasonable opportunity to express their concerns, needs and priorities.
- d) The Chief Building Official will determine the means by which such public consultation will be undertaken.

- e) Key stakeholders (e.g. development industry representatives, home builders' associations, frequent users, neighbouring municipalities, and municipal partners) shall be consulted in advance of implementing any proposed changes to the fee schedule or policies for plan review and permitting fees.
- f) The objectives of this consultation process should be to better understand their concerns with the current fees and policies, their suggestions for improvements, and what concerns they may have regarding the implementation of the newly proposed fees and policies.

12. Responsibility and Implementation

- a) Any changes to this Policy shall be approved by Council.
- b) Permitting fees will be approved by Council before implementation of such fees or any changes to fees.
- c) The Chief Building Official or their designate is accountable:
 - (i) for ensuring that fees for services charged by their building services are properly charged, collected, deposited and in general, are administered in compliance with the principles set out in this Policy; and,
 - (ii) Reviewing this Policy, along with its associated principles and guidelines, every four years, or earlier if needed, in order to ensure continuing relevance and conformance with best practices.
- d) This Review of Building Permits Fees Policy, including fee schedules, shall be made available at all times on County's website.

13. Documentation and Forms

- Appendix A - O. Reg 236/05