BUSINESS IMPACT STATEMENT
BILL NO. 2010-37
(Amends the City's Administrative Code to adopt new fee tables applicable to permits, inspections and other services performed in connection with the City's technical codes, and to make other permit-related adjustments)

This business impact statement was prepared pursuant to NRS 237.090 to address the impact of a proposed ordinance, Bill No. 2010-37, that will amend the City's Administrative Code to adopt new fee tables applicable to permits, inspections and other services performed in connection with the City's technical codes, and to make other permit-related adjustments. Elements of the amendment include:

–Fees that are based on the cost of services provided rather than the estimated value of construction.

–Built-in adjustments in 2012 and 2013, unless the increases are not needed.

–In the case of projects involving the work of more than one trade, a requirement for the general contractor to obtain all permits and pay all related fees.

1. The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their responses and an explanation of the manner in which other interested persons may obtain a copy of the summary.

A notice regarding the proposed changes, including an invitation to respond, was published on three consecutive days in the Las Vegas Review-Journal. In addition, a copy of the notice was provided to the Southern Nevada Home Builders Association and to the local chapters of the Associated General Contractors, American Institute of Architects (AIA), and National Association of Industrial and Office Properties (NAIOP). Written responses, including objections, were received from the local chapters of the AIA and NAIOP. A letter of no objection was received from the Structural Engineers Association of Southern Nevada.

Among the concerns raised by the local chapter of AIA were the following:

–That the fee structure's concepts of "included" examination and inspection time and "extraordinary" examination and construction time do not encourage accountability, competence or efficiency on the part of the City.

–That the fee structure should be valuation-based rather than size-based.

–That the fee structure should be more consistent and predictable, and less reliant on City interpretation and judgment.

Among the concerns raised by the local chapter of NAIOP were the following:

–That the fee table classifications should be more closely matched to International Building Code provisions,

–That the ordinance should contain clarifications regarding how fees are to be assessed for broadly based renovations, phased, and/or prototypical projects.

–That the fee tables should not differentiate between shell buildings with potentially different occupancies.

–That the ordinance should include provisions allowing an applicant to challenge the

classification of plans check and inspection fees.
–That fee increases should be accompanied by commensurate increases in service.

2. The estimated economic effect of the proposed rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:

Adverse effects:

–Increased costs of doing business and a less predictable process and result in fee determination

Beneficial effects:

–Enable the Department of Building and Safety to maintain service levels relating to plans review, inspections and related functions

Direct effects:

See adverse and beneficial effects above

Indirect effects:

None identified

3. The following constitutes a description of the methods the local government considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any, and if so which, of these methods were used:

The Department of Building and Safety is actively considering ways to rework certain fee table categories during the ordinance process to reduce business impact

4. The estimate of the annual cost to the local government for enforcement of the proposed rule is:

No additional cost

5. If the proposed rule provides for a new fee or increases an existing fee, the total annual amount expected to be collected is:

Approximately $7,786,815, representing a 25% increase over existing budgeted revenue levels for FY11.

6. If the proposed rule provides for a new fee or increases an existing fee, the money generated by the new fee or increase in existing fee will be used by the local government to:

Assist the Department of Building and Safety in maintaining service levels relating to plans review, inspections and related functions.

7. If the proposed rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity, the following explains why such duplicative or more stringent provisions are necessary:

Not applicable

Date: July 22, 2010