



OFFICE OF MANAGEMENT AND BUDGET

115 S. Andrews Avenue, Room 404 • Fort Lauderdale, Florida 33301 • 954-357-6345 • FAX 954-357-6364

MEMORANDUM

April 2, 2014

TO: Board of County Commissioners

FROM: Kayla Olsen, Director
Office of Management and Budget

SUBJECT: Proposed Ordinance Amending Chapter 9 of the Broward County Code of Ordinances, Relating to Contractors

Summary

The proposed ordinance amends various sections of Chapter 9 of the Broward County Code of Ordinances including changes to the schedule of civil penalties and the fees associated with violations and repeat violations related to Contractors in order to mirror similar changes made by the State last year and to serve as a deterrent for violators.

The proposed ordinance also increases the portion of unlicensed contractor civil penalty fees that are deposited into the Unlicensed Contractor Enforcement Fund from thirty percent (30%) to forty-five percent (45%) and correspondingly decreases the portion of civil penalties deposited into the Broward County Central Examining Board Restitution Trust Fund (Trust Fund) from seventy percent (70%) to fifty-five percent (55%). Any civil penalty recovered by the County in an action against any certified contractor, business organization or financially responsible officer would continue to be deposited 100% to the Trust Fund.

Fiscal Impact

The proposed changes will increase the civil penalties for a variety of offenses. The current range of fees is \$150 to \$500 and the proposed range is \$250 to \$2,000.

If the overall annual fine revenue stays approximately level at \$136,000, the proposed changes will provide approximately \$20,000 annually in additional funds to support increased enforcement against unlicensed contractors due to the increase in the proportion of fines collected that will be used for this purpose from 30% to 45%. Correspondingly, the proposed changes will provide approximately \$20,000 less annually to the Trust Fund due to the decrease in the proportion of fines collected from unlicensed contractors that will be used for this purpose from 70% to 55%. Estimating whether there will be an overall increase in revenue and thus more than \$20,000 is difficult due to the unknown deterrent impact of the increased penalty amounts and the possibility of a lower collection percentage,

Broward County Board of County Commissioners

Sue Gunzburger • Dale V.C. Holness • Kristin Jacobs • Martin David Kline • Gilb Camarica • Stacy Ritter • Tim Ryan • Barbara Sharief • Lois Wexler

www.broward.org

G:\CLERICAL\MEMOS\FIS\Contractor Violations FIS.docx

which may offset an increase from the changes in fine amounts. The current balance in the Trust Fund as of March 2014 is \$639,000. The Environmental Licensing and Building Permitting Division is proposing that a portion of the increased amounts deposited in the Unlicensed Contractor Enforcement Fund be used to provide public outreach on the availability of the Trust Fund to compensate victims.

KO: aa