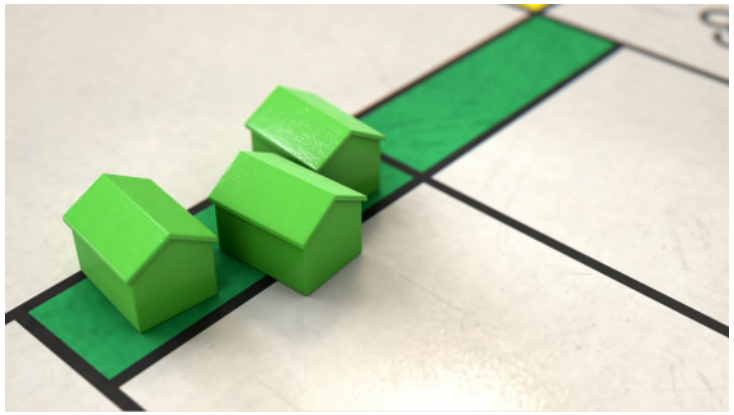
BUILDING PERMITS & USE TAX



Presenter:

Jonathan Gesick - Cascade

ProCode

- Founded in 2015, ProCode, Inc. provides outsourced permitting, inspection, building code enforcement, and building department administration services for smaller municipalities in Northern Colorado. We have dedicated ourselves to helping the communities we serve grow in a healthy, strategic, and efficient manner.

ProCode Inc.
Building Department Services

Cascade

Development of Cascade Started in 2018 for the purpose of providing an easy-to-use software that dramatically streamlines the permitting function enabling citizens, contractors, inspectors, and departmental staff to communicate efficiently and transparently throughout the process. Saving time with entering data, calculating fees, and generating reports—all in one secure, easy-to-use environment.

Cascade's cloud-based solution automates, monitors, and expedites applications, plan reviews, inspections, and approvals, supercharging productivity while saving astonishing amounts of time and effort in the process. Best of all, Cascade works with any permit-issuing department such as building, planning, fire, public works, and other municipal offices.

Cascade software was developed by municipal planning and building department specialists and designed specifically with their needs in mind. Born from real-world experience serving many Northern Colorado communities, this powerful, highly customizable solution is now available to cities and towns across the country.

Building Permits

- Purpose – To bring reasonable controls for the design, use, and construction of buildings, to ensure buildings are safe.
- Codes – Towns and cities adopt a standard building code written by the International Code Council and NFPA.
- Permit Fees – Fees are based on project valuations and or square foot calculations.
- Use Tax – Use Tax is collected on the valuation of materials used in the project.

  This could be a calculated value or provided value.

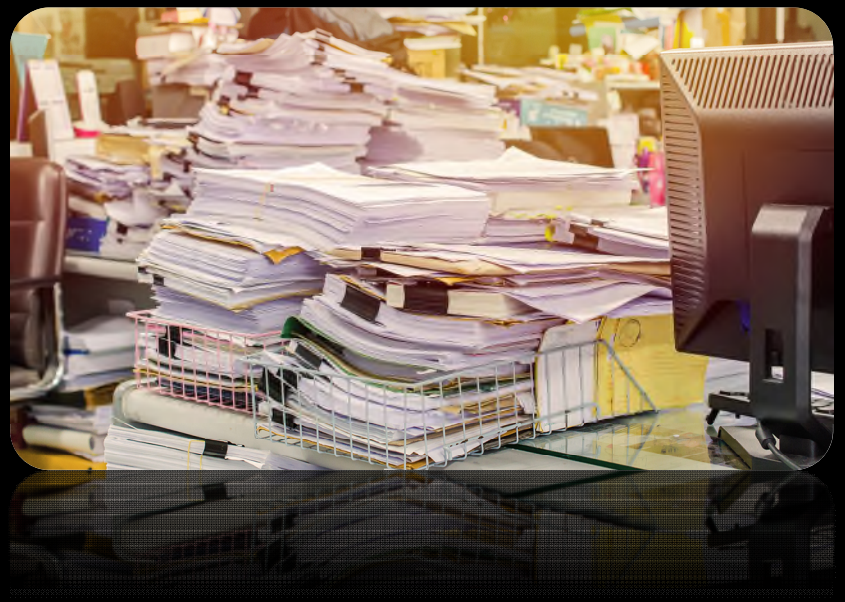
THE PROBLEM

Inconsistencies

Lack of a defined process

Varying data entry styles

Non harmonious filing systems



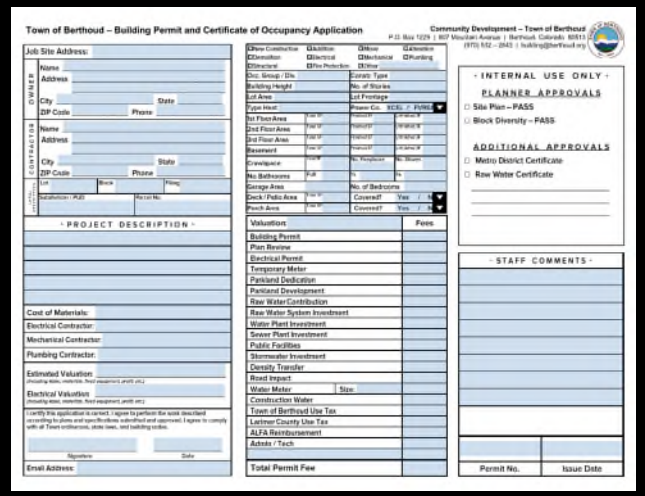
In 2017 ProCode was serving multiple municipalities in Northern Colorado.

These were small to mid-sized towns and cities all in different evolutions of processes when it came to handling and processing building permits.

The majority were tracking with an excel spreadsheet with paper applications and paper plans.

We were finding many inconsistencies throughout the entire process due to the lack of a defined process, different data entry styles, lack of congruent filing systems, multiple levels of staff knowledge and training, etc.

This is how it was done for decades and introducing a change in process and adding technology to the process was challenging.



Town of Berthoud – Building Permit and Certificate of Occupancy Application

Community Development – Town of Berthoud

Job Site Address:

OWNER

Name

Address

City State

ZIP Code Phone

CONTRACTOR

Name

Address

City State

ZIP Code Phone

Lot Block Filing

Subdivision / PUD Parcel No.

- PROJECT DESCRIPTION -

Cost of Materials:

Electrical Contractor:

Mechanical Contractor:

Plumbing Contractor:

Estimated Valuation

Electrical Valuation

Signature Date

Email Address:

Valuation Fees

Building Permit

Plan Review

Electrical Permit

Temporary Meter

Parkland Dedication

Parkland Development

Raw Water Contribution

Raw Water System Investment

Water Plant Investment

Sewer Plant Investment

Public Facilities

Stormwater Investment

Density Transfer

Road Impact

Water Meter Size

Construction Water

Town of Berthoud Use Tax

Larimer County Use Tax

ALFA Reinbursement

Admin / Tech

Total Permit Fee

- INTERNAL USE ONLY -

PLANNER APPROVALS

Site Plan – PASS

Block Diversity – PASS

ADDITIONAL APPROVALS

Metro District Certificate

Raw Water Certificate

- STAFF COMMENTS -

Permit No. Issue Date

BEFORE SOFTWARE

Everything was paper…

Items would get lost…

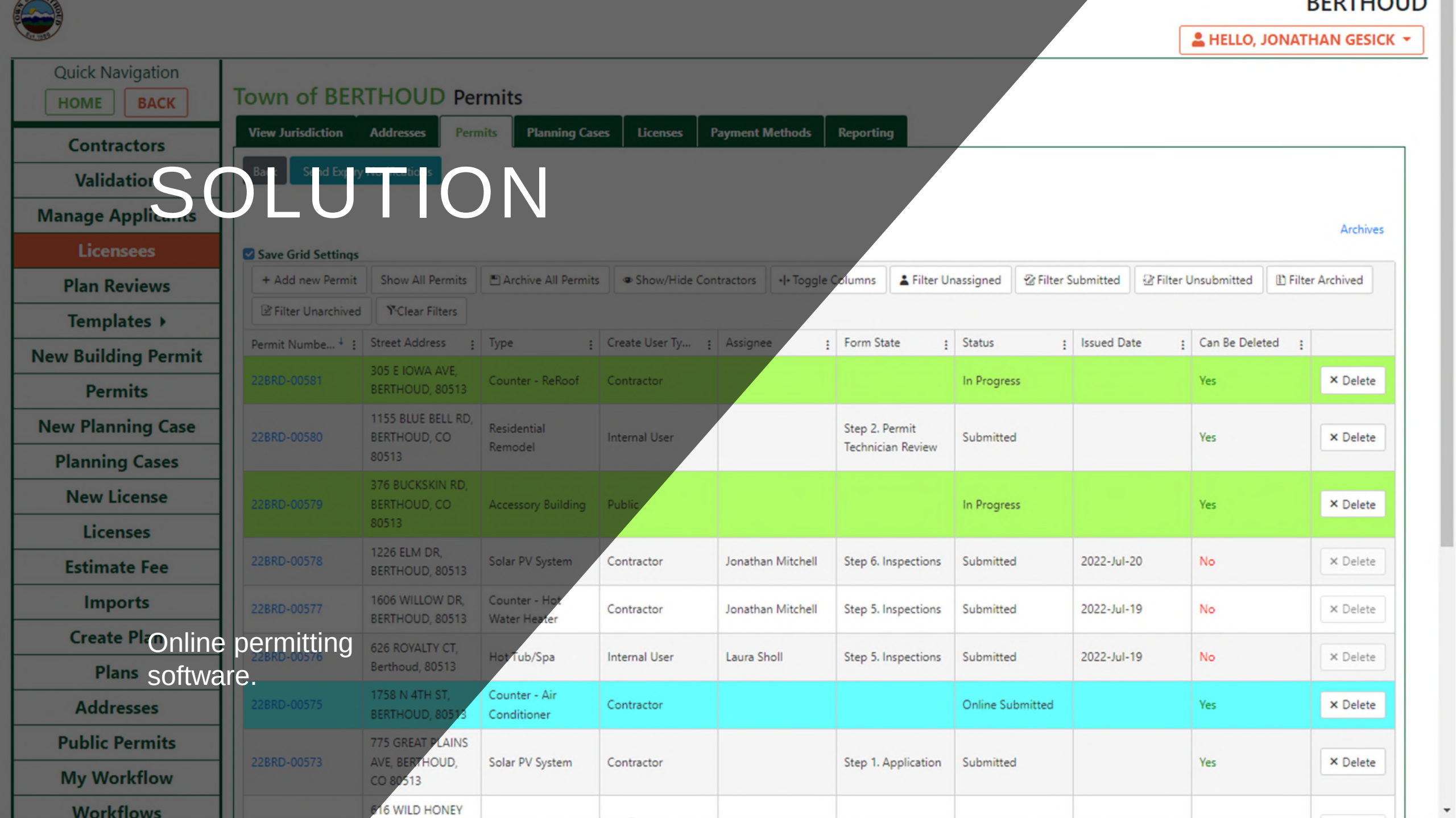
Only one person knew the status of the application…

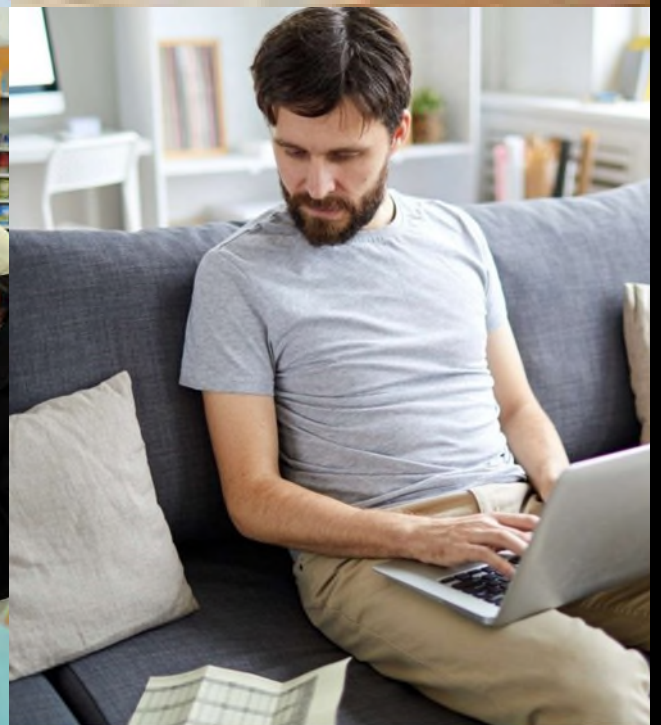
Fees were calculated manually and not verified…

Files stored in basement or in an office file…limiting access.

SOLUTION

Online permitting software.





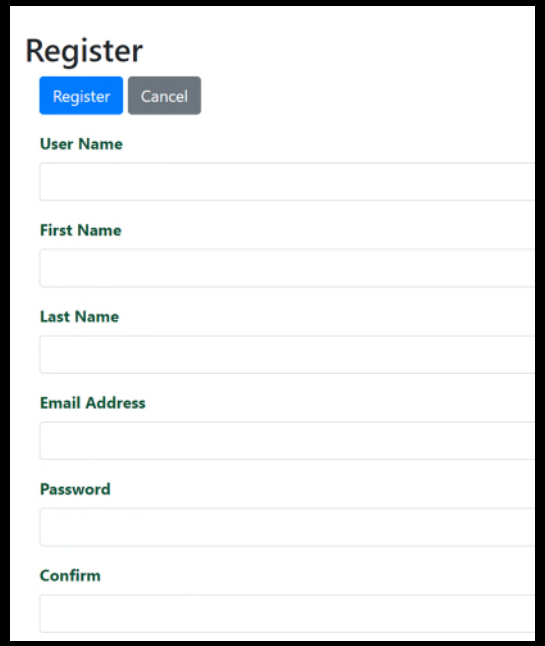
ADVANTAGES FOR SALES TAX

ACCESS ANYWHERE, ANYTIME.

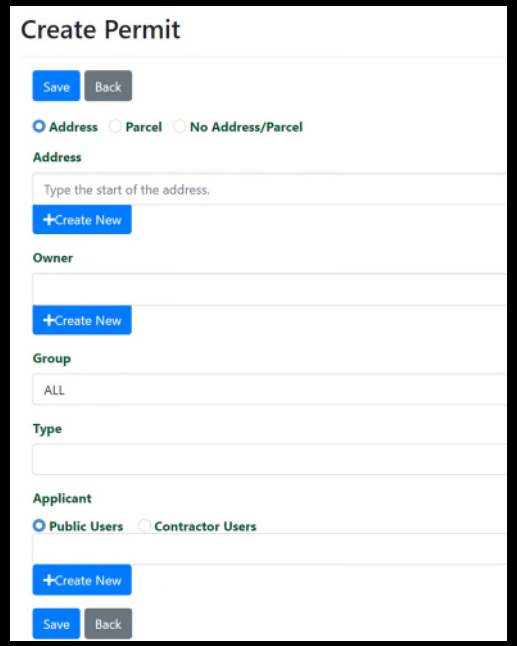
PRINT AND VIEW DOCUMENTS IN THE FIELD.

Process

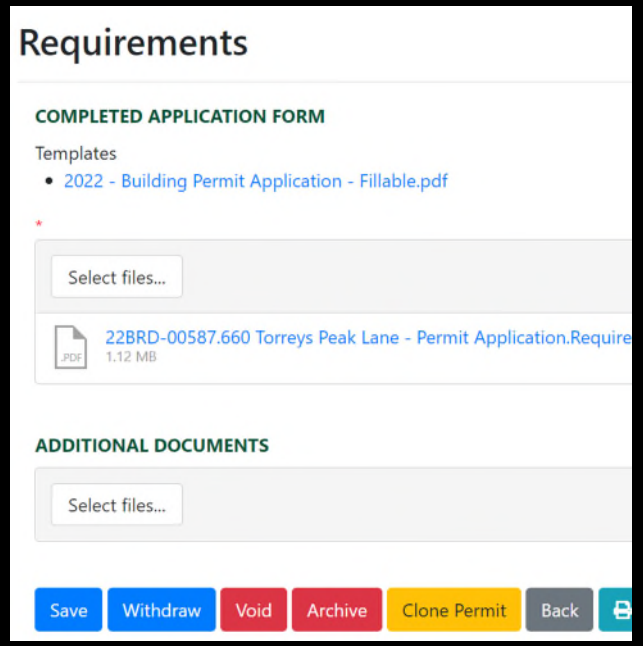
REGISTER ONLINE



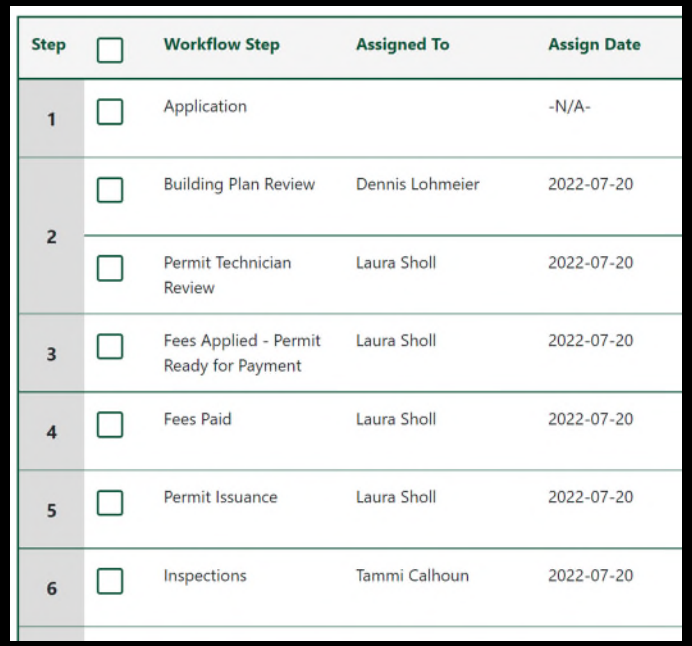
APPLY FOR PERMIT



UPLOAD DOCUMENTS

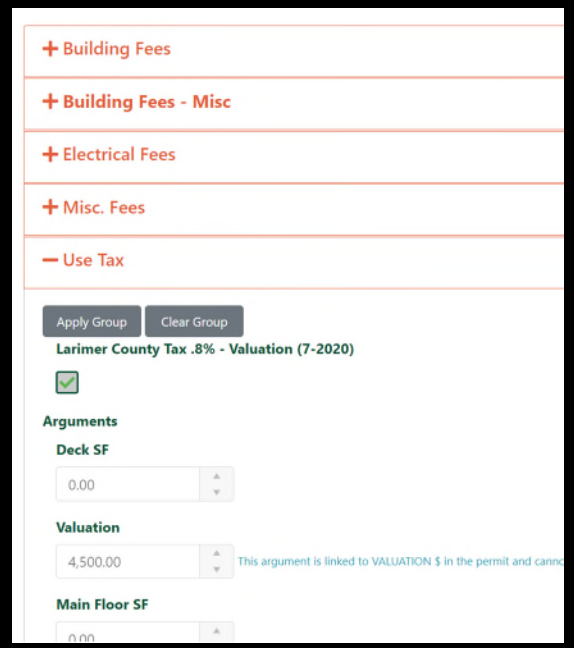


REVIEWED BY STAFF

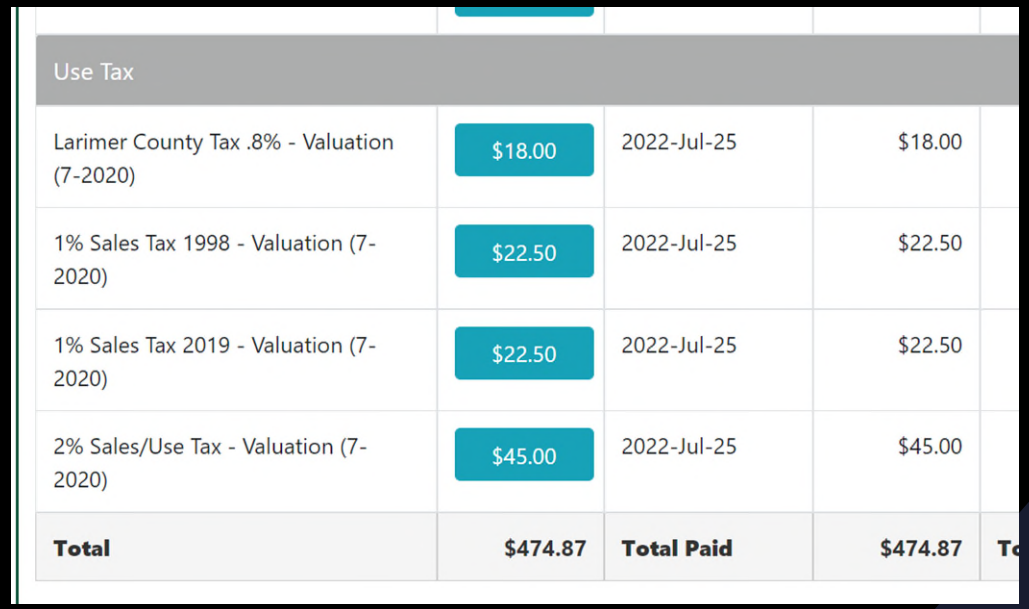


Step		Workflow Step	Assigned To	Assign Date
1		Application		-N/A-
2		Building Plan Review	Dennis Lohmeier	2022-07-20
		Permit Technician Review	Laura Sholl	2022-07-20
3		Fees Applied - Permit Ready for Payment	Laura Sholl	2022-07-20
4		Fees Paid	Laura Sholl	2022-07-20
5		Permit Issuance	Laura Sholl	2022-07-20
6		Inspections	Tammi Calhoun	2022-07-20

FEES CALCULATED



FEES PAID ONLINE



Use Tax				
Larimer County Tax .8% - Valuation (7-2020)	$18.00	2022-Jul-25	$18.00	
1% Sales Tax 1998 - Valuation (7-2020)	$22.50	2022-Jul-25	$22.50	
1% Sales Tax 2019 - Valuation (7-2020)	$22.50	2022-Jul-25	$22.50	
2% Sales/Use Tax - Valuation (7-2020)	$45.00	2022-Jul-25	$45.00	
Total	**$474.87**	**Total Paid**	**$474.87**	**To**

PERMIT ISSUED

BERTHOUD

807 Mountain Avenue
Berthoud, Colorado 80513-2229
Phone (970) 532-2643

Hot Tub/Spa

Permit Number	22BRD-00576

Date Issued	07/19/2022
Job Site Address	626 ROYALTY CT, Berthoud, 80513
Property Owner	TOOLEY WILLIAM
Mailing Address	626 ROYALTY CT BERTHOUD, 805132725 United States
Phone	
Parcel Id	9423333042

ELECTRICAL CONTRACTOR	Root 3 Electric USA
MECHANICAL CONTRACTOR	
PLUMBING CONTRACTOR	
GENERAL CONTRACTOR	

PERMIT TYPE ELECTRICAL PERMIT

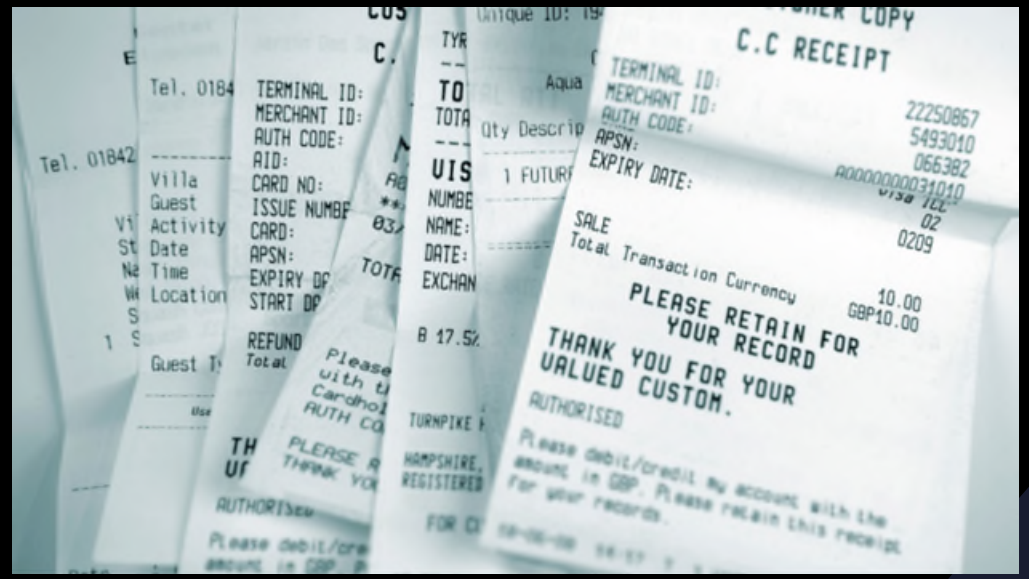
DESCRIPTION OF WORK Electrical for hot tub

Type and Value of Building		Fee Item	Amount
Permit Type	ELECTRICAL PERMIT	Electrical - Valuation Based Fee (3-2020)	$100.00
OCC/Description	Electrical for hot tub	Admin Fee - $25	$25.00
Construction Type		Technology Fee - $25	$25.00
Valuation	$1,100.00	2% Sales/Use Tax - Valuation	$11.00
		1% Sales Tax 1998 - Valuation	$5.50
		1% Sales Tax 2019 - Valuation	$5.50
		Larimer County Tax .8% - Valuation	$4.40
		Total	$176.40

MATERIALS PURCHASED

MATERIALS INSTALLED

PROJECT COMPLETED



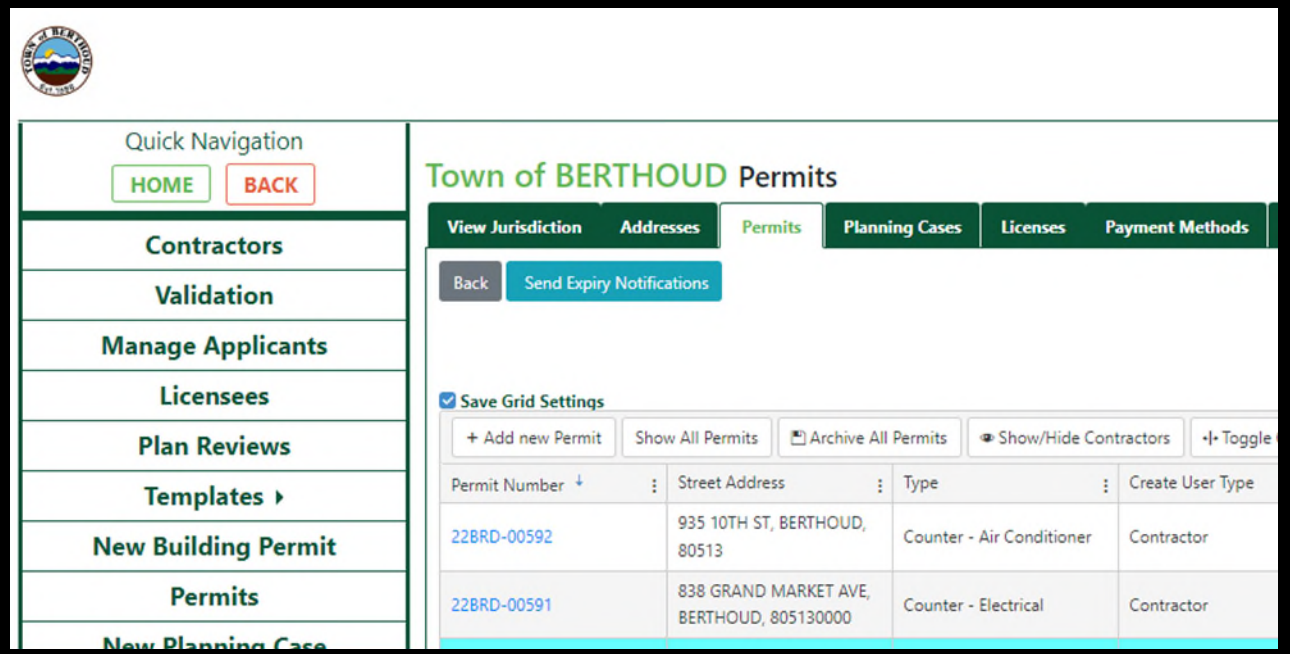
Challenges

- Not very many owners are familiar with use tax, why it is collected.
- Many times, the use tax that is collected is higher that all the other fees on the permit.
- Staff and customers are not aware that you may not have to pay sales tax on materials that are purchased.
- Town ordinances vary on how use tax is calculated.
- Multiple tax adoptions and rates can make the process confusing.
- Auditing use tax collected after the project is time consuming and costly.

Solutions

- Software does help the process but there is no standard across jurisdictions. Creating a standardize report (Receipt) that must be generated when a permit is issued may help.
- Educating the municipalities. Providing handouts and information they can post on the town website.
- Requiring all municipalizes to adopt specific use tax ordinance language. Standardizing the process across the board.

Brief Demo – Q & A



Thank You!