

JUSTIFICATION OF PLANNING AND CODES FEES

Loudon County, Tennessee

Compliance with Publication 140 Cost Allocation and Fee Recovery Requirements

Purpose

The purpose of this document is to provide justification for the Planning and Codes Department fee structure for Loudon County, Tennessee, in accordance with the principles outlined in Tennessee Comptroller Publication 140 regarding user fees, cost allocation, and fee recovery.

The Planning and Codes Department provides regulatory, administrative, inspection, enforcement, and development review services necessary to protect the public health, safety, and welfare of the citizens of Loudon County. Fees charged by the department are intended to offset the direct and indirect costs associated with providing these services and are not intended to generate excess revenue beyond reasonable cost recovery.

Department Services

The Loudon County Planning and Codes Department provides services including, but not limited to:

- Residential and commercial building permit review
- Building inspections
- Zoning administration
- Site plan review
- Subdivision plat review
- Floodplain administration
- Stormwater and land disturbance review
- Board of Zoning Appeals administration
- Planning Commission administration
- Code enforcement investigations
- Permit issuance and recordkeeping
- Public assistance and technical review

These services are mandated or authorized under Tennessee Code Annotated and adopted county ordinances and building codes.

Basis for Fee Justification

1. Relationship Between Fees and Services Provided

The Planning and Codes Department fee schedule is structured to reasonably correspond with:

- Complexity of the project
- Estimated construction valuation
- Staff review time
- Number of required inspections
- Administrative processing requirements
- Legal notice requirements
- Long-term record retention responsibilities
- Technology and software utilization
- Legal services

Larger or more complex developments generally require increased staff time, technical review, coordination with outside agencies, and multiple inspections. As a result, fees may vary according to project scope, square footage, valuation, or development intensity.

2. Public Benefit vs. Private Benefit

While planning and codes activities provide a general public benefit through safe construction and orderly development, the direct beneficiaries of permit issuance, plan review, inspections, rezonings, subdivisions, and development approvals are the applicants, property owners, contractors, and developers seeking those approvals.

Accordingly, it is reasonable and appropriate for the County to recover a portion of these costs through user fees charged to applicants rather than funding all services solely through property taxes.

Conclusion

The Loudon County Planning and Codes Department fee schedule is justified based upon the actual and reasonable costs associated with administering building codes, zoning regulations, planning functions, inspections, and development review services.

The fees are designed to:

- Promote equitable cost recovery
- Reduce subsidization by general taxpayers
- Maintain qualified staff and inspection services
- Support regulatory compliance activities
- Ensure long-term operational sustainability
- Comply with Tennessee Comptroller guidance regarding user fees and cost allocation principles contained in Publication 140

The County Commission finds that the Planning and Codes fees are reasonably related to the costs of providing the associated governmental services and are necessary for the continued administration and enforcement of County planning and codes programs.

Prepared (Date): June 2026

APPENDIX B
RECOMMENDED SCHEDULE OF PERMIT FEES

SECTION B101
PERMIT FEES

Total Valuation	Fee
\$1,000 and less	No fee, unless inspection required, in which case a \$15.00 fee for each inspection shall be charged.
\$1,000 to \$50,000	\$15.00 for the first \$1,000.00 plus \$5.00 for each additional thousand or fraction thereof, to and including \$50,000.00.
\$50,000 to \$100,000	\$260.00 for the first \$50,000.00 plus \$4.00 for each additional thousand or fraction thereof, to and including \$100,000.00.
\$100,000 to \$500,000	\$460.00 for the first \$100,000.00 plus \$3.00 for each additional thousand or fraction thereof, to and including \$500,000.00.
\$500,000 and up	\$1,660.00 for the first \$500,000.00 plus \$2.00 for each additional thousand or fraction thereof.

SECTION B105
PLAN-CHECKING FEES

When the valuation of the proposed construction exceeds \$1,000.00 and a plan is required to be submitted by 104.2, a plan-checking fee shall be paid to the building official at the time of submitting plans and specifications for checking. Said plan-checking fee shall be equal to one-half of the building permit fee as set forth in 104.7. Such plan-checking fee is in addition to the building permit fee.

SECTION B102
MOVING FEE

For the moving of any building or structure, the fee shall be \$100.

\$100 Flat fee

SECTION B103
DEMOLITION FEES

For the demolition of any building or structures, the fee shall be:

0 up to 100,000 cu ft	\$50.00
100,000 cu ft and over	\$0.50/1,000 cu ft

\$50.00 Flat

SECTION B104
PENALTIES

Where work for which a permit is required by this code is started or proceeded prior to obtaining said permit, the fees herein specified shall be doubled, but the payment of such double fee shall not relieve any persons from fully complying with the requirements of this code in the execution of the work nor from any other penalties prescribed herein.

FEE NAME: CODES RESIDENTIAL PERMITS					
EMPLOYEE TITLE	ANNUAL SALARY + BENEFITS + FIXED COSTS	HOURLY RATE	HOURS INCURRED, AVERAGE APPLICATION (NOTE: PREVIOUS YEAR HISTORICAL AVERAGE: 638 permits)	Cost Basis	DESCRIPTION OF EMPLOYEE DUTIES RELATED TO FEE
CODES DIRECTOR	\$107,061	\$51.47	1	\$51.47	Leads and manages department staff and resources. Consults with citizens, engineers, architects, contractor, developers, local and state officials. Makes decisions related to policy, procedures, and regulation interpretations. Examines plans for compliance with building and zoning regulations. Conducts inspections and enforces the adopted building codes, zoning, and floodplain management regulations. Prepares informational and statistical administration reports. Maintains all department related records.
CODES COMPLIANCE EMPLOYEE	\$85,452	\$41.08	10	\$410.83	Performs general office work. Consults with citizens, engineers, and architects. Reviews plans for compliance with adopted regulations. Schedules and conducts inspections for compliance with the adopted building and zoning regulations. Prepares and maintains inspection records. Assist the Building Official as required and assumes the Building Official duties in their absence.
ADMINISTRATIVE ASSISTANT	\$71,180	\$34.22	0.75	\$25.67	Serves as the initial point of contact for the public, answers phones, provides general and technical information, assist the Building Official and other office staff. Receives and reviews permit applications, issues permits, creates and maintains permit records. Orders office material and supplies as needed. Prepare reports and logs fees collected. Accounts for and prepares fees for deposit. Prepares monthly reports. Types memorandums, letters, reports, resolutions and other documents for staff.
Operating Costs budget (1% per project)		\$ 47,405		\$ 474.05	
TOTAL COST				\$962.01	