



COMMONWEALTH of VIRGINIA

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May 25, 2011

PIM #11-01

MEMORANDUM

TO: District Directors
Environmental Health Managers
Food Standardization Officers
Division of Food and Environmental Services Staff

THROUGH: Maureen Dempsey, MD, FAAP *MD*
Deputy Commissioner for Public Health

Jeff Lake *JK*
Deputy Commissioner for Community Health Services

FROM: Gary L. Hagy, Director *GPH*
Division of Food and Environmental Services

SUBJECT: Establishment Fees

This PIM establishes the Department's policy regarding the collection of establishment permit renewal and plan review fees. The collection of fees was approved by the General Assembly as part of the Appropriations Act.

Please insert this document in your PIM manual and distribute copies to all persons in your district working in your foodservice protection, hotel, campground, and summer camp programs. Please note that the effective date is July 1, 2011.

If you have any questions, please contact me.

Program: Food, Hotel, Campground and Summer Camp

Subject: Fees for Service

Objective: The 2011 General Assembly, amended Item 287 of the Appropriation Act. This amendment authorizes the Health Commissioner to develop a plan to collect fees from certain permitted establishments. This PIM establishes the Department's policy regarding these fees.

Authority: The Appropriation Act Item 287, authorizes the Health Commissioner to develop: 1) a plan and specification review fee AND 2) an annual permit renewal fee, which may be collected from all establishments except K-12 public schools, "that are subject to inspection by the Department of Health" pursuant to §§ 35.1-13 (hotels), -14 (restaurants), -16 (summer camps) and -17 (campgrounds). The bill authorizes the Commissioner to charge a fee for EACH of these items, not to exceed \$40 per year. When both fees are applied to a single facility, the combined total of the fees may not exceed \$80.

Background: The General Assembly restored some General Fund money to the Department and reduced the above referenced fees to \$40.

Procedures: Effective July 1, 2011, the fees charged for permit renewals, new permits, and plan reviews associated with restaurants, hotels, campgrounds and summer camps will be reduced to \$40. The following outlines the procedures.

Exempt facilities: Public schools, K-12, are exempt from any fees. Private schools, state and private colleges and universities are NOT exempt.

New Establishments: If a new establishment is proposed and plans are required for review, a \$40 plan review fee will be charged to the owner. The \$40 shall be submitted with the plans when they are submitted for review. A \$40 permit fee will be collected before the permit is issued.

Existing Establishments: Effective July 1, 2011, the hotel, restaurant, campground and summer camp annual permit renewal fee will be \$40. Such fee shall be in effect for 12 months after payment unless there is a change of ownership. For establishments with permits that expire prior to July 1, 2011, the renewal fee is \$285. For those establishments whose permits expire on or after July 1, 2011, the renewal fee is \$40. If an

existing establishment proposes to modify or change their operation, and plans are required to be submitted, a \$40 plan review fee will be collected when the plans are submitted for review on or after July 1, 2011. The Appropriation Act caps the plan review fee at \$40 per year for any single owner. Therefore, if an establishment proposes additional changes during the year and plans are again required, there is no fee for the additional plan reviews. For the purposes of this policy, the year period for calculating plan review fees shall be concurrent with the life of the permit, i.e., when the permit expires and a new permit is issued, a new year is started for purposes of capping plan review fees.

Change in Ownership: When an establishment changes ownership, a new permit must be issued to the new owner and a \$40 permit fee shall be collected from the new owner prior to issuing the new permit. Likewise, if the change in ownership requires submission of plans, the new owner will be charged a \$40 plan review fee regardless of when the previous owner may have paid a plan review fee.

Temporary Food Establishments: A \$40 permit fee will be charged to the temporary food establishment permit applicant for the first permit he or she acquires during the year. Additional fees will not be charged for future temporary permits. The permit holder should retain the receipt showing the fee has been paid and show it to local health departments when he or she applies for permits later in the year. If an applicant cannot produce a receipt, and the local health department cannot verify that a fee has been paid that calendar year, then a \$40 fee will be charged. If the applicant later produces a receipt showing that he or she previously paid a fee, then the latter fee will be refunded. Organizations that are exempt under the *Code of Virginia* §35.1-25 and §35.1-26 are exempt from temporary permit fees even if they are participating in a non-exempt temporary event.

Individuals who prepare and serve food in only one temporary event per year, and that event is within the locality in which they reside, are exempt from the fee. This exemption applies only to individuals, not to corporations or organizations. If they participate in more than one event, or the event is not in their home locality, they must pay the fee.

Bed and Breakfast Establishments: A bed and breakfast establishment that serves only breakfast and serves it only to overnight guests will pay one fee. These facilities are not food establishments under the Food Regulations but they may choose to be permitted if they desire. If they choose to be permitted as a food establishment, then they will still pay only one \$40 fee. If the bed and breakfast establishment serves more than breakfast or does not limit their food service to their overnight guests, then they will be charged two \$40 permit fees, one for the hotel permit and one

for the food establishment permit. For plan reviews, if a new establishment is proposed, and plans are submitted for the food service and for the lodging accommodations, then two \$40 plan review fees shall be collected. Likewise, for existing establishments, the number of fees required shall be determined based on the type of plans submitted, i.e., if the plans are for either the lodging accommodations or the food service portion only, one \$40 fee will be charged. If the plans are for both lodging and foodservice, then two \$40 fees will be charged.

Hotels: Hotels will be charged an annual renewal fee of \$40. Hotels shall be notified that their self-renewing permits will not renew until the annual fee is paid.

Relationship to Local Fees: In localities that imposed local fees (permit fees, application fees, inspection fees, risk assessment fees or similar fees), under local ordinance, as of January 1, 2002, the total of the locally imposed fee and the fee authorized by the budget bill shall not exceed \$40. For example, if the locality has a \$25 application or permit fee that was in effect on January 1, 2002, then only a \$15 state fee can be collected from the establishments in that locality. If a locality raises, or initiates, fees above that collected on January 1, 2002, then the new fee will not reduce the state's portion, which is the difference between \$40 and the fee charged on January 1, 2002.

Revocation of Permits: If a permit is revoked, and the former permit holder applies for new permit, then a new \$40 fee is required.

Withdrawal of Application for a Permit: If an applicant withdraws his or her application before the permit is issued, then the \$40 fee shall be refunded. The plan review fee is non-refundable.

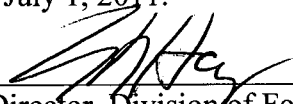
Enforcement:

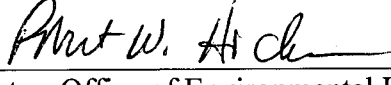
Plans will not be accepted from the applicant or owner until they are submitted with the appropriate fee. Permits shall not be issued or renewed until the permit fee is paid. In the event an existing establishment fails to pay the renewal fee, the permit shall expire and the owner notified of the expiration. If the owner continues to operate after the permit expiration, then appropriate enforcement action shall be taken, i.e., a summons to appear in general district court should be issued to the owner. If additional enforcement action is necessary, then consult the Division of Food and Environmental Services.

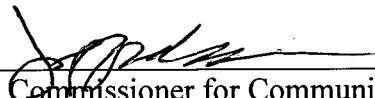
Responsibility:

The district Environmental Health Manager is responsible for the implementation of these procedures by the district Environmental Health Specialists.

Effective Date: July 1, 2011.

Approved by: 
Director, Division of Food and Environmental Services

Approved by: 
Director, Office of Environmental Health Services

Approved by: 
Deputy Commissioner for Community Health Services

Approved by: 
Deputy Commissioner for Public Health