

Report from the State Fire Marshal to the Virginia General Assembly

Assessing Options for Increasing Fees for Fire Inspections

Report updated September 2026

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Preface:

Virginia's adopted budget (2025 Va. Acts Ch. 725) directed the Department of Fire Programs, in cooperation with the State Fire Marshal's Office, the Virginia Fire Services Board, the Department of Housing and Community Development, and the Board of Housing and Community Development to conduct an assessment of the fees charged by the State Fire Marshal's Office to conduct fire safety inspections. The assessment shall include a review of (i) existing inspection fees, (ii) the number of inspections conducted by fee category, (iii) the cost of conducting each inspection, and (iv) the total revenue from each fee category to determine whether there is a need to adjust the fees based on the market cost of conducting inspections. The Department of Fire Programs shall submit a report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget, no later than October 17, 2025, that outlines the findings of the assessment and a joint recommendation from the Virginia Fire Services Board and the Board of Housing and Community Development on whether the fees should be adjusted or not, including a description of which fees, if any, are recommended for an increase based on the market cost and the projected additional fee revenue that would result from such recommended increase.

This report is provided to meet the requirements of the assessment noted above related to fees assessed by the State Fire Marshal's Office.

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Executive Summary

In spite of VDFP's efforts to accurately estimate the expected revenue generated by inspection fees, subsequent reviews of the data showed that the numbers used were flawed. The reporting system for the SFMO inspection program has not proven reliable, and that system will be replaced when the contract with the vendor ends at the close of this fiscal year. Additionally, the calculations used a significant amount of theoretical analysis which examined information technology, vehicle, and other costs for resources which are paid through the VDFP's budget via Fire Programs Fund, not the SFMO's General Fund and fees revenue-based budget. This likely caused an unintentional inflation of the expenses of SFMO. For these reasons, we would direct readers to the upcoming 2026 report, which will have more accurate data.

The current State Fire Marshal's Office (SFMO) was created in 2008 after its duties were moved from the Virginia Department of Housing and Community Development to the Virginia Department of Fire Programs (VDFP). Code of Virginia § 9.1-206 directs that the Executive Director of the Department of Fire Programs appoint a State Fire Marshal to carry out the provisions of the Statewide Fire Prevention Code. The Statewide Fire Prevention Code is an administrative code that regulates fire safety in the Commonwealth of Virginia.

SFMO's budget is funded through a combination of General Fund dollars appropriated by the Virginia General Assembly and revenue from fees as set forth in the Statewide Fire Prevention Code. SFMO also, in the past, has received funding from contracts with other Virginia state agencies. Over the past decade, VDFP and SFMO staff have noted the office is continually operating at a deficit, forcing it to make cost adjustments and hold vacancies to balance the budget. The fees that SFMO can charge have only seen minor adjustments since 2009, and none since the 2015 code development cycle. During that time, however, the cost of conducting the inspections related to those fees has increased noticeably.

SFMO can charge fees in two areas: fireworks and blasting, as well as annual compliance fees. The services mandated in the Statewide Fire Prevention Code were analyzed by comparing costs estimated from SFMO reported data contained in its record management system to revenues calculated from the fees listed in the SFPC. Costs were calculated using fixed and variable factors. The fixed amounts are derived from SFMO's annual Fiscal Year 2025 (FY25) technology, vehicle, and salary costs. The variable factors use inspection reports to estimate the travel time, hours worked, and the number of inspectors typically utilized for each inspection type. Data was analyzed from FY 2023 through FY 2025.

VDFP, and SFMO, understand the General Fund dollars should primarily cover expenses related to General Fire Code Inspections of General Assembly-mandated inspections. The deficit noted below does not consider the total amount of General Fund dollars allocated for these operations but instead focuses solely on the cost of inspections and fee revenue. However, the research conducted indicates that fee adjustments, while likely to reduce this deficit, will not eliminate the deficit entirely.

The analysis concluded that average annual inspection revenue was $193,158.33 and annual average costs were $997,220.54 leaving an annual deficit of $804,062.21 from inspections conducted by SFMO. The largest losses came from General Fire Code Inspections and Re-Inspections. The category of General Fire Code Inspections includes inspections of state mandated facilities, and general inspections conducted at commercial establishments in state-responsible localities. The Imagetrend data collection program was not set up to distinguish between mandated and nonmandated inspections prior to FY 2025.

In producing this report, several options for reducing the deficit were considered. Discussions between representatives of the Virginia Fire Service Board and the Board of Housing and Community Development reached a consensus on recommending one of these options. That option is to charge fees for voluntary general fire inspections, reinspections, and fireworks retailers in state-responsible localities. Voluntary general fire inspections would encompass any annual statewide fire prevention code inspection that is requested or conducted in a commercial occupancy where the State Fire Marshal is the authority-having-jurisdiction, either by request of the owner or when a substantiated complaint is made.

Background

The State Fire Marshal's Office (SFMO) is mandated by § 9.1-207 to inspect state property and certain buildings in localities that have chosen not to enforce the Statewide Fire Prevention Code. The office also issues permits for certain functions such as blasting and commercial fireworks. The SFMO also manages the Virginia Fire Marshal Academy, which trains both local and state fire marshals in fire inspection, investigation, and basic law enforcement.

§ 9.1-207 specifically requires that the office inspect "(i) residential care facilities operated by any state agency, (ii) assisted living facilities licensed or subject to licensure pursuant to Chapter 18 (§ 63.2-1800 et seq.) of Title 63.2 that are not inspected by the local fire marshal, (iii) student residence facilities owned or operated by a public institution of higher education, and (iv) public schools that are not inspected by the local fire marshal". The Code of Virginia does not allow the office to charge for inspections at public schools or institutions of higher education, meaning that only some of the inspections required under § 9.1-207 provide revenue. The Statewide Fire Prevention Code outlines other areas that the State Fire Marshal is responsible for and sets the fees that can be charged by the office in the performance of their duties. These fees are outpaced by the cost of providing the inspection service, leading to a consistent deficit year after year.

SFMO was originally a component of the Department of Housing and Community Development (DHCD). In 2008, the SFMO moved to the Department of Fire Programs (VDFP). During its time as a component of DHCD, SFMO fees were set by the Board of Housing and Community Development (BHCD). This board, comprised of stakeholders in the building and real estate industries, as well as the fire service, were in constant communication with DHCD. Under this system, the balance of DHCD budgets and stakeholder needs adequately funded the SFMO.

Although the SFMO was moved to the Department of Fire Programs in 2008, their fees are still set by the BHCD. The SFMO is only allowed to request changes or additions to fees as part of regular updates to the Statewide Fire Prevention Code, which occurs every three years. This is

unlike local fire marshal's offices, which have their fees set by the local government body, such as the city council or board of supervisors. These fees can be regularly updated at the discretion of the governing body. The fees, as found in the Statewide Fire Prevention Code, last received minor updates in 2015, although the SFMO has requested updates since that time.

Since 2009, several factors have led to increased costs by SFMO. These costs include vehicle costs, salaries, and technological costs. Inflation has increased cost of living adjustments to salaries and prices paid for services such as software subscriptions. Continuous supply-side shocks in the past few years have kept vehicle costs high on top of inflationary pressures. This results in SFMO running a deficit of approximately $804,062.21 each year.

The General Assembly funds the SFMO through the General Fund, with the expectation that the office will use inspection fees to fund the remaining expenses. In 2023, the office was funded by the General Fund at 83%, with fees expected to cover the remaining expenses. However, the fees collected, which last saw significant updates in 2009, do not completely cover the cost of providing the inspection for several reasons as noted above. When using the Consumer Price Index, as determined by the U.S Bureau of Labor Statistics, costs have increased by over 50% since 2009. This means that the current fees the SFMO can charge have only two thirds of the buying power they did in 2009. Therefore, the SFMO can only perform two thirds of their inspection duties with the current fee schedule. To operate within the budget provided via the General Fund, the deficits incurred by the inspection program have forced the SFMO to continually leave positions vacant on an annual basis.

Current Types of Inspections and Associated Fees

The State Fire Marshal's Office (SFMO) can charge a number of fees associated with its inspection duties. These can be largely based on two distinct areas: fees for explosives, blasting agents, flame effects, and fireworks, or annual compliance inspection fees. These fees are set in sections 107.11 and 107.12 of the Statewide Fire Prevention Code (SFPC). The tables below outline the type of inspection, the fee found in the 2021 version of the Statewide Fire Prevention Code, and explanation of its requirement. The SFMO is prohibited from charging fees like local fire marshal's offices unless they are found in the specific SFMO table related within the SFPC, limiting the office's ability to raise revenue.

Table 1: Current Fees (Explosives, Blasting, Flame Effects, and Fireworks)

Inspection Type	Fee ($)	Explanation
Storage of Explosives or Blasting Agent	250 (first magazine) 150 (each additional magazine)	12-month permit
Use of Explosives (Non-fixed site)	250	6-month permit
Use of Explosives (Fixed site)	250	12-month permit
Sale of Explosives	250	12-month permit

Manufacture of Explosives (Unrestricted)	250	12-month permit
Manufacture of Explosives (Restricted)	20	12-month permit
Fireworks Display	300	State Property Only
Pyrotechnics or Proximate Audience Display	300	State Property Only
Flame Effects	300	State Property Only
Hourly Inspection Rate	60 (normal business hours) 90 (nights, weekends, holidays)	
Nightclubs	350	100 or less occupancy load
	450	101 to 200 occupancy load
	500	201 to 300 occupancy load
	500+50	300 or more occupancy load (+$50 for each 100 people past 300)
Private College Dormitories	150	3500 sq. ft. or less
	200	3500 sq. ft to 7000 sq. ft
	250	7000 sq. ft to 10000 sq. ft
	250+50	10000 sq. ft or more (+$50 for each additional 3,000 sq. ft)
Assembly Areas of Private College Dormitories	50	10000 sq. ft or less
	100	10000 sq. ft to 25000 sq. ft
	100	Up to 25000 sq. ft when separate from dormitory
	150	
Hospitals	300	1 to 50 beds
	400	51 to 100 beds
	500	101 to 150 beds
	600	151 to 200 beds
	100	Each 100 beds past 200
State-Regulated Care Facilities and	50	1 to 8
	75	9 to 20

Family Day Homes Licensed by the Department of Education	100	21 to 50
	200	51 to 100
	300	101 to 150
	400	151 to 200
	500	201 or more
Registered Complaints	0 (first visit) 51 per hour on subsequent visits	
Bonfires	50 100 (within 15 days of event) 150 (within 7 days of event)	Small Bonfire on State Property Only
	150 300 (within 15 days of event) 450 (within 7 days of event)	Large Bonfire on State Property Only

Inflation and Inspection Fees

As the inspection fee schedule has not been revised significantly since 2009, inflation has eroded the purchasing power of the dollar in that time. The Consumer Price Index (CPI) allows a comparison of the true value of the fee dollars in 2009, when those fees were set, to their value today. Per the U.S. Bureau of Labor Statistics, the cumulative increase in the CPI for that period is approximately 50.58%. The following table applies that cumulative increase in the CPI over the past sixteen years to illustrate the fiscal pressures exerted on SFMO by inflationary forces. It should be noted, however, that merely updating the fees to incorporate the change in the CPI results in total revenue of $290,857.82. This total would reduce SFMO's operating deficit of $804,062.21, but there would still be a significant shortfall.

Table 2: Inspection Fees Adjusted by Consumer Price Index Increase

Inspection Type	Fee ($)	Fee Adjusted by CPI
Storage of Explosives or Blasting Agent	$250 (first magazine) $150 (each additional magazine)	$376.45 (first magazine) $225.87 (each additional magazine)
Use of Explosives (Non-fixed site)	$250	$376.45
Use of Explosives (Fixed site)	$250	$376.45
Sale of Explosives	$250	$376.45
Manufacture of Explosives (Unrestricted)	$250	$376.45
Manufacture of Explosives (Restricted)	$20	$30.12
Fireworks Display	$300	$451.74
Pyrotechnics or Proximate Audience Display	$300	$451.74

Flame Effects	$300	$451.74
Hourly Inspection Rate	$60 (normal business hours) $90 (nights, weekends, holidays)	$90.35 (normal business hours) $135.52 (nights, weekends, holidays)
Nightclubs	$350 100 or less occupancy load	$527.03
	$450 101 to 200 occupancy load	$677.61
	$500 201 to 300 occupancy load	$752.90
	$500+$50 300 or more occupancy load (+$50 for each 100 people past 300)	$752.90 + $75.29
Private College Dormitories	$150 3500 sq. ft. or less	$225.87
	$200 3500 sq. ft to 7000 sq. ft	$301.16
	$250 7000 sq. ft to 10000 sq. ft	$376.45
	$250+$50 10000 sq. ft or more (+$50 for each additional 3,000 sq. ft)	$376.45 + $75.26
Assembly Areas of Private College Dormitories	$50 10000 sq. ft or less	$75.29
	$100 10000 sq.ft to 25000 sq.ft	$150.58
	$150 Up to 25000 sq. ft when separate from dormitory	$225.87
Hospitals	$300 1 to 50 beds	$451.74
	$400 51 to 100 beds	$602.32
	$500 101 to 150 beds	$752.90
	$600 151 to 200 beds	4903.48
	$100	$150.58 (Each 100 beds past 200)

State-Regulated Care Facilities and Family Day Homes Licensed by the Department of Education	$50 1 to 8	$75.29
	$75 9 to 20	$112.94
	$100 21 to 50	$150.58
	$200 51 to 100	$301.16
	$300 101 to 150	$451.74
	$400 151 to 200	$602.32
	$500 201 or more	$752.90
Registered Complaints	0 (first visit) $51 per hour on subsequent visits	$76.80 per hour on subsequent visits
Small Bonfire on State Property Only	$50 $100 (within 15 days of event) $150 (within 7 days of event)	$75.29 $150.58 $225.87
Large Bonfire on State Property Only	$150 $300 (within 15 days of event) $450 (within 7 days of event)	$225.87 $451.74 $677.61

Inspection Workload

The inspection types are based on the inspection categories reported in Imagetrend, the office's records management system (RMS). These include inspections related to fireworks and explosives, open flames and pyrotechnics, public facilities and high-occupancy locations such as hospitals, dormitories, nightclubs, and facilities owned by the Department of Social Services (DSS). It also includes general inspections at various sites such as schools and businesses and any re-inspections of those buildings that did not meet code standards.

The average is based on the average number of services from fiscal years 2023, 2024, and 2025. Blank spaces are a result of no data, which are not calculated into sums or averages.

Table 3: Workload

Inspection Type	FY2025	FY2024	FY2023	FY2023-2025 Average
Blasting	19	55	49	41.0

Bonfires	2	5	2	3.0
DSS Facility 1-8	20	27	28	25.0
DSS Facility 9-20	77	93	89	86.3
DSS Facility 21-50	171	175	169	171.7
DSS Facility 51-100	167	180	177	174.7
DSS Facility 101-150	46	50	47	47.7
DSS Facility 151-200	14	21	18	17.7
DSS Facility 201+	9	17	10	12.0
Fireworks Retail Establishment	41	27		22.7
Flame Effects	3	10	22	11.7
Explosives Storage		3	2	1.7
General Fire Code Inspection	1725	1694	1714	1711.0
Hospital 1-50	16	26	16	19.3
Hospital 51-100	37	38	26	33.7
Hospital 101-150	27	28	15	23.3
Hospital 151-200	20	15	21	18.7
Nightclub 0-100	3	6	3	4.0
Nightclub 101-200	8	7		5.0
Nightclub 201-300	7	7	2	5.3
Private College Dorms 0-3500 sq ft	29	39	36	34.7
Private College Dorms 3500-7000 sq ft	39	29	41	36.3
Private College Dorms 7000-10000 sq ft	28	32	34	31.3
Pyrotechnic	96	74	59	76.3
Re-Inspection	971	916	896	927.7
Total	3575	3574	3476	3541.7

Revenues from Inspections

Table 4 highlights the revenues from fees associated with inspections. Revenue is calculated by multiplying the fee by the number of inspections in a year. The percentage of total inspections is the percent of each inspection type of all inspections in a year. The total revenue from inspections in an average year is estimated at $193,158.33. The final column outlines the percentage of the total revenue each inspection type represents.

Table 4: Revenue from Fees

		FY23-25 Average		
Inspection Type	**Fee ($)**	**Average Revenue ($)**	**% Total Inspections**	**Percentage of Revenue**

Blasting	250	10,250.00	1.16%	5.31%
Bonfires	50	150.00	0.08%	0.08%
DSS Facility 1-8	50	1,250.00	0.71%	0.65%
DSS Facility 9-20	75	6,475.00	2.44%	3.35%
DSS Facility 21-50	100	17,166.67	4.85%	8.89%
DSS Facility 51-100	200	34,933.33	4.93%	18.09%
DSS Facility 101-150	300	14,300.00	1.35%	7.40%
DSS Facility 151-200	400	7,066.67	0.50%	3.66%
DSS Facility 201+	500	6,000.00	0.34%	3.11%
Fireworks Retail Establishment	0	-	0.64%	0.00%
Flame Effects	300	3,500.00	0.33%	1.81%
Explosives Storage	250	416.67	0.05%	0.22%
General Fire Code Inspection	0	-	48.31%	0.00%
Hospital 1-50	300	5,800.00	0.55%	3.00%
Hospital 51-100	400	13,466.67	0.95%	6.97%
Hospital 101-150	500	11,666.67	0.66%	6.04%
Hospital 151-200	600	11,200.00	0.53%	5.80%
Nightclub 0-100	350	1,400.00	0.11%	0.72%
Nightclub 101-200	450	2,250.00	0.14%	1.16%
Nightclub 201-300	500	2,666.67	0.15%	1.38%
Private College Dorms 0-3500 sq ft	150	5,200.00	0.98%	2.69%
Private College Dorms 3500-7000 sq ft	200	7,266.67	1.03%	3.76%
Private College Dorms 7000-10000 sq ft	250	7,833.33	0.88%	4.06%
Pyrotechnic	300	22,900.00	2.16%	11.86%
Re-Inspection	0	-	26.19%	0
Total/Average	259	193,158.33	100.00%	100.00%

Cost of Conducting Inspections

The following provides information on direct costs incurred by the SFMO when conducting fire inspections. These costs include various factors to be considered, such as vehicle costs, information technology (IT) costs, and the wages of fire marshals, IT staff, and administrative staff. Fire marshals use vehicles to travel from one inspection site to the next. The SFMO receives support from the Department of Fire Programs IT to maintain and support operations and equipment for data systems such as the Division of Engineering and Buildings BITS system, inspections reported through Inspection Reports Online (IROL), and Imagetrend, a records management system for fire inspections conducted by the office. This technology is used to document inspections and maintain records. Staff wages contribute to the inspection itself, the processing of reports, and the maintenance of technology.

The SFMO determined the following factors impact individual inspection types. These factors are the average number of inspectors at an inspection, the number of hours spent at an inspection, and the number of hours it takes to travel to an inspection site. The SFMO found that there were on average 1.09 inspectors, inspections took 1.31 hours, and inspectors traveled for 1.39 hours. This is an average for the fiscal years 2023-2025

Using data provided from Imagetrend and the SFMO's Fiscal Year 2025 Budget, the average cost for the SFMO to conduct an inspection is $267.90. The average cost of all inspections over the past three fiscal years is $997,220.54. SFMO costs should be evaluated on an annual schedule that follows the SFMO annual budget process to evaluate the need for increase and compare the factors that set the hourly rate. It is recommended that the SFMO continues to evaluate its policy concerning inspection reporting and budgeting to support an annual evaluation schedule.

Table 5 highlights the costs of inspections. The first column shows each inspection type. The second column demonstrates the percentage of total costs represented by each inspection type. The bottom number of the third column is the average cost of all inspection types, factoring in the frequency in which fire marshals perform those inspections. The last column shows total costs per year for each inspection type, with the bottom number showing total costs of inspections per year.

Table 5: Inspection Costs

Inspection Type	% of Total Costs	Average Cost Per Inspection (CPI)	Total Inspection Costs
Blasting	0.74%	179.7	7,367.51
Bonfires	0.06%	199.0	597.12
DSS Facility 1-8	0.37%	145.8	3,643.77
DSS Facility 9-20	1.30%	150.6	13,001.49
DSS Facility 21-50	3.20%	185.8	31,892.10
DSS Facility 51-100	3.67%	209.6	36,604.60
DSS Facility 101-150	1.35%	283.3	13,506.31
DSS Facility 151-200	0.56%	317.4	5,607.99
DSS Facility 201+	0.41%	343.2	4,117.94
Fireworks Retail Establishment	0.56%	247.0	5,598.48
Flame Effects	0.40%	342.1	3,991.74
Explosives Storage	0.03%	151.2	251.93
General Fire Code Inspection	57.77%	336.7	576,056.03
Hospital 1-50	0.91%	470.5	9,096.65
Hospital 51-100	1.19%	351.8	11,844.71
Hospital 101-150	0.69%	294.8	6,879.64
Hospital 151-200	1.23%	658.9	12,298.92

Nightclub 0-100	0.03%	76.5	306.05
Nightclub 101-200	0.08%	159.3	796.53
Nightclub 201-300	0.04%	79.5	424.00
Private College Dorms 0-3500 sq ft	0.80%	230.9	8,004.28
Private College Dorms 3500-7000 sq ft	0.47%	130.1	4,727.34
Private College Dorms 7000-10000 sq ft	0.71%	227.3	7,122.88
Pyrotechnic	4.66%	609.3	46,507.59
Re-Inspection	18.75%	201.6	186,974.95
Total/Average	100.00%	263.3	997,220.54

Revenue/Cost Analysis

Finally, Table 6 makes this comparison using average cost and revenue totals in a typical year. It is important to note that these total costs do not include some minor indirect costs associated with inspections, such as office supplies. It also does not include the costs of the entire SFMO. Of the inspection types, thirteen of twenty-five resulted in a negative gap, meaning that the SFMO loses funding in these inspection categories.

Table 6: Gap in Revenue and Expenditures

Inspection Type	Average Revenue	Average Costs	Average Gap
Blasting	10,250.00	7,367.51	$2,882.49
Bonfires	150.00	597.12	-$447.12
DSS Facility 1-8	1,250.00	3,643.77	-$2,393.77
DSS Facility 9-20	6,475.00	13,001.49	-$6,526.49
DSS Facility 21-50	17,166.67	31,892.10	-$14,725.43
DSS Facility 51-100	34,933.33	36,604.60	-$1,671.26
DSS Facility 101-150	14,300.00	13,506.31	$793.69
DSS Facility 151-200	7,066.67	5,607.99	$1,458.68
DSS Facility 201+	6,000.00	4,117.94	$1,882.06
Fireworks Retail Establishment	-	5,598.48	-$5,598.48
Flame Effects	3,500.00	3,991.74	-$491.74
Explosives Storage	416.67	251.93	$164.74
General Fire Code Inspection	-	576,056.03	-$576,056.03
Hospital 1-50	5,800.00	9,096.65	-$3,296.65
Hospital 51-100	13,466.67	11,844.71	$1,621.96
Hospital 101-150	11,666.67	6,879.64	$4,787.02
Hospital 151-200	11,200.00	12,298.92	-$1,098.92

Nightclub 0-100	1,400.00	306.05	$1,093.95
Nightclub 101-200	2,250.00	796.53	$1,453.47
Nightclub 201-300	2,666.67	424.00	$2,242.67
Private College Dorms 0-3500 sq ft	5,200.00	8,004.28	-$2,804.28
Private College Dorms 3500-7000 sq ft	7,266.67	4,727.34	$2,539.33
Private College Dorms 7000-10000 sq ft	7,833.33	7,122.88	$710.46
Pyrotechnic	22,900.00	46,507.59	-$23,607.59
Re-Inspection	-	186,974.95	-$186,974.95
Total/Average	193,158.33	997,220.54	-$804,062.21

General Fund Expenditures

The State Fire Marshal's Office receives just over 80% of its operating budget from the General Fund, which by design, should provide a foundation for the office and fund the inspections of state-mandated facilities, such as public schools, public universities, and other state properties. No fee is assessed for inspections related to these mandated facilities. Although the current records management system does not separate state facilities from other commercial facilities under the General Fire Code Inspection category, most General Fire Code Inspections are in state facilities in which no fee is charged. The charge of this report, to examine fees charged for services, does not holistically examine General Fund dollars. However, the chart below shows marginal increases in General Fund dollars since SFMO was moved from the Department of Housing and Community Development to the Department of Fire Programs. As the Commonwealth expands infrastructure, including new buildings for state agencies and universities, the SFMO continues to see increased staff hours, and therefore increased costs, for General Fire Code Inspections during pre-construction, construction, and subsequent occupancy of state facilities.

Table 7: General Fund Allocations

Fiscal Year	General Fund Allocation ($)	Allocation Adjusted for Inflation
2009	3,095,101	4,660,603
2015	2,910,209	3,939,595
2025	3,153,362*	-

Recommendation

The analysis applied in this report was specifically focused on identifying potential options to alleviate the inspection program deficit via adjustments in fee revenue. While this recommendation represents steps towards reducing the deficit, it will not be sufficient to eliminate the deficit entirely. It is likely that a combination of the recommended fee adjustments and an increase in General Fund allocation will be necessary to do so.

Recommendation: Consider Charging Fees for General Inspections, Reinspection, and Fireworks Retailers in State-Responsible Localities

Certain fee categories identified in the report create a deficit for the State Fire Marshal's Office (SFMO). Through the completion of the report, the agency noted that three of the categories produced most of the budget deficit. The fees with the largest deficits include General Fire Code Inspections, Re-Inspections, and Fireworks Retail Establishments. As noted, the office is responsible for 63 of Virginia's 95 counties but cannot charge an inspection fee for any general fire code inspections, reinspection's, or firework retailers inspected in these localities. In localities with their own fire marshal, these are common fees assessed.

Table 8: Largest Deficit by Fee Category

Fee Category	Current Fee	Percent of Deficit	Recommended Fee
General Fire Code	$0	71.64%	$250
Re-Inspection	$0	23.25%	$200
Fireworks Retail	$0	2.94%	$200

Note that the Imagetrend data collection program did not distinguish between mandated and nonmandated inspections prior to FY 2025. For FY 2025, the breakdown was approximately 17 percent nonmandated inspections and 83 percent mandated. The category of General Fire Code Inspections, for the purposes of this recommendation, would encompass any annual statewide fire prevention code inspection that is requested or conducted in a commercial occupancy where the State Fire Marshal is the authority-having-jurisdiction. The General Fire Code inspections that would be charged fees under this recommendation do not fall under General Assembly-mandated inspections. Rather, the fee would be charged for voluntary inspections that were requested for a commercial occupancy, either by the business owner or when a substantiated complaint for which code violations were discovered has been made.

COMMONWEALTH of VIRGINIA

L. Brad Creasy
EXECUTIVE DIRECTOR

Virginia Department of Fire Program

Jamey Brads
DEPUTY DIRECTOR

February 27, 2026

The Honorable L. Louise Lucas
Chair, Committee on Finance and Appropriations
P. O. Box 396, Richmond, VA 23218

The Honorable Luke Torian
Chair, Committee on Appropriations
201 North 9th Street, Richmond, Virginia 23219

Director Michael Maul
Department of Planning and Budget
1111 East Broad Street, Room 5040 Richmond, VA 23219-1922

Dear Senator Lucas, Delegate Torian, and Director Maul,

Virginia's adopted budget (2025 Va. Acts Ch. 725) directed the Department of Fire Programs, in cooperation with the State Fire Marshal's Office, the Virginia Fire Services Board, the Department of Housing and Community Development, and the Board of Housing and Community Development to conduct an assessment of the fees charged by the State Fire Marshal's Office to conduct fire safety inspections. This report would be submitted to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget and outline the findings of the assessment and a joint recommendation from the Virginia Fire Services Board and the Board of Housing and Community Development.

In accordance with this charge, the Department of Fire Programs and the State Fire Marshal's Office cooperatively produced a report assessing fee revenue. The initial draft of this report and the recommendations it made were then reviewed by representatives of the Board of Housing and Community Development. Members of that Board then met with members of the Virginia Fire Services Board to discuss the options presented in the report to reach a consensus on a joint recommendation. This recommendation is found in the submitted report.

However, there were two other recommendations made in the report for which consensus was not reached with the Board of Housing and Community Development. At their request, the two nonconsensus options were excised from the report. Those two items were for the Board of Housing and Community Development to adjust the fees based on market conditions and to move the authority to set fees for the State Fire Marshal's Office from the Board of Housing and Community Development to the Virginia Fire Services Board.x`

At the December 2, 2025, meeting of the Virginia Fire Services Board, a motion was approved on a unanimous vote that a letter be sent with the report which detailed that there were two additional recommendations in the initial report produced by the Department of Fire Programs which were removed when consensus could not be reached.

It is the understanding of the Virginia Fire Services Board that the sole recommendation contained in the final report will not address funding concerns related to the State Fire Marshals Office. Further, fee rates remain largely at the level set in 2009, leading to further inability for the office to perform its duties. The Board looks forward to working with both agencies, and the Board of Housing and Community Development, to further address these funding concerns directly impacting the safety of Virginians.



Keith Johnson
Chair
Virginia Fire Services Board

CC: Stanley Meador, Secretary of Public Safety and Homeland Security

Brad Creasy, Executive Director, Department of Fire Programs

Tamarah Holmes, Director, Department of Housing and Community Development

Abigail Spanberger
Governor

Carrie Chenery
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Tamarah Holmes, PhD
Director

March 30, 2026

Senator L. Louise Lucas
Chair, Senate Committee on Finance and Appropriations

Delegate Luke Torian
Chair, House Committee on Appropriations

Mr. Michael Maul
Director, Department of Planning and Budget

RE: State Fire Marshal's Office Fee Report Joint Recommendation

Item 407.C of Chapter 725 of the 2025 Acts of Assembly (2025 Budget Bill) directed the Department of Fire Programs (VDFP), in cooperation with the State Fire Marshal's Office (SFMO), the Virginia Fire Services Board (VFSB), the Department of Housing and Community Development (DHCD), and the Board of Housing and Community Development (the "Board"), to conduct an assessment of the fees charged by the SFMO to conduct fire safety inspections. The VFSB and the Board were directed to make a joint recommendation on whether the fees should be adjusted or not.

The Board appreciates the opportunity to participate in the assessment of the SFMO inspection fees. The Board has reviewed the findings of the SFMO Fee Report, including its analysis of inspection revenue, costs, and the annual deficit arising from current funding levels.

As reflected in the discussions with the VFSB, the Board generally agrees with the recommendation contained in the report – authorizing the SFMO to begin assessing fees for voluntary general fire inspections and re-inspections that are requested by property owners in localities where the SFMO is responsible for conducting inspections. The Board finds that these fee adjustments for inspections already being conducted by the SFMO represent a reasonable step toward reducing the structural deficit documented in the report. Proposals relating to the findings of the SFMO Fee Report were submitted during the normal code development cycle and will be considered by the Board at its May meeting.

The Board also takes this opportunity to clarify its position on the two non-consensus items originally included in the draft report and referenced in the February 27, 2026, letter from

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the VFSB. These items were: 1) adjusting SFMO fees based on market conditions; and 2) transferring the authority to set SFMO fees from the Board to the VFSB.

The Board does not support transferring final fee-setting authority to the VFSB. The Board and the VFSB, through a cooperative agreement, adopt and amend the Statewide Fire Prevention Code (SFPC). During the code development cycle, members of the Board and the VFSB form a joint committee to consider proposed amendments to the SFPC and make code change recommendations to the Board. It is important that the Uniform Statewide Building Code (USBC) and the SFPC are amended concurrently during the code development cycle to ensure alignment of their respective provisions. The final adoption of the USBC and the SFPC, including its administrative provisions, ultimately rests with the Board. Fee schedules associated with the SFMO's administration of the SFPC are therefore properly within the jurisdiction of this Board.

Maintaining this structure ensures regulatory consistency, preserves alignment between building and fire safety administration, and reflects the long-standing statutory framework under which inspection fees have historically been set. Specific increases to the SFMO inspection fees will be considered during the normal code development cycle, which is currently underway.

While the Board generally agrees with the report's recommendation and recognizes the need to modernize the SFMO's fee structure, the Board's position is any future adjustments must continue to be established through the administrative processes of the USBC. A combination of fee adjustments and an increase in General Fund allocation will be necessary to alleviate the SFMO inspection program deficit. As noted in the SFMO Fee Report, the Board highlights that fees governed by the Board through the USBC only constitute 17% of SFMO costs of inspections.

The Board remains committed to working collaboratively with VDFP, the SFMO, and the VFSB to ensure both public safety and a sustainable funding model for fire prevention services in the Commonwealth.

Sincerely,

Louie Berbert
Chair, Board of Housing and Community Development

CC: Brad Creasy, Executive Director, Department of Fire Programs
Billy Hux, Chief State Fire Marshal, Office of the State Fire Marshal
Keith Johnson, Chairman, Virginia Fire Services Board
Tamarah Holmes, Director, Department of Housing and Community Development

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