

## Building permit levy – payment by third party cheque

This supersedes the previous *Practice Note 2005-52* issued June 2005.

### 1. Summary

The practice of a number of building surveyors to forward a third party client cheque, to meet their obligation to pay amounts received into the Building Administration Fund (section 201(7)(c), Building Act 1993), has been reviewed.

In some instances the cheque was drawn by the applicant some substantial time before the building permit was issued, and a number of these payments were subsequently dishonored.

In circumstances where the cheque is received by the building surveyor and is subsequently dishonored, the building permit becomes void and of no effect.

The legal obligations of building surveyors in the collection and payment of the building permit levy (including HIH levy) to the Building Administration Fund are outlined below.

### 2. Ruling

- ▶ A building surveyor must not issue a building permit until the levy is paid.
- ▶ A payment for levy by cheque is not regarded as received until such time as the cheque is cleared.

Cheques drawn by third parties (clients) will no longer be accepted towards payment of the amount of building permit levy (including HIH levy payable) by the relevant building surveyor into the Building Administration Fund.