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Poll: Impact fees best way to pay for schools

Triangle Business Journal - June 27, 2007 by Chris Coletta

The best way to pay for schools, Triangle Business Journal readers say, is to pass on the costs to those building new homes.

Between June 20 and June 27, visitors to TBJ's Web site were asked, "What is the best way to fund growth in the Triangle's K-12 schools?"

Of the 351 respondents to the online poll, 146 - or almost 42 percent - said local governments should charge impact fees to developers.

That easily was the highest vote-getter in a field of choices that included "property taxes," "sales taxes," "transfer taxes" and the ubiquitous "other."

"Other," in fact, was the next most popular response, with almost a quarter of respondents - 78, or 22 percent - said the Triangle should pay for school growth in other ways. Some respondents suggested continuing to pass school bonds, which they said would prove the cheapest way to build infrastructure in the long run; some suggested making all schools year-round; yet others suggested more efficiency in the way local schools are operated.

An increase in property taxes, got 62 votes, or 18 percent of the total. Higher sales taxes won 43 votes, or 12 percent. Taxes on the transfer of property won 22 votes, or 6 percent of the total.

Overall, the question generated a healthy number of comments. What follows is a sampling of those comments, all of which were made anonymously:

"Developers who make millions in profit while not giving any consideration to what 'growth' really means with respect to schools should have to pay significantly more."

"It does not seem the ongoing property tax revenue has been able to keep up with the overall financial burden that new homes create by needing to expand the underlying infrastructure (e.g. roads, schools, etc). Whoever is moving in to the area and creating the growth should pay for that cost associated with growth, and impact fees would directly map that tax back to the person benefiting."

"I think a combination of property and transfer (taxes) work the best. Impact fees only affect those buying new homes, which people assume are primarily bought from people moving into the area. However, nearly half of people moving in the Triangle area are from the Triangle area."

"Try lifting the charter school cap. Entrepreneurs can do it more efficiently, and they are waiting to create more spots for educating our county's - and our state's - children, with no tax increases necessary."

"Providing an educated populace is everyone's responsibility and to everyone's benefit. Every other tax (besides a sales tax) puts the burden unfairly on one group or another. Homeowners use schools, renters use schools, folks that buy new and resales use schools. Let's spread the expense among the widest possible group."

"I believe that the school system should do more with the funding they have. More money is not always the solution. Be smarter like private enterprise!"

"The key to funding growth in schools, law enforcement and other essential services is to maintain spending discipline and keep priorities in order. Responsible, effective government should be scalable - i.e., growth (and the taxes that accompany it) should pay for additional services with greater efficiencies and economies of scale."

"Impact fees and transfer taxes hurt the affordable housing market. Our immediate problem is caused by the average-age-of-30, married-with-children category migrating to the Triangle. Do we punish the retirees selling their large home to younger families by stealing equity with transfer

taxes? We should work toward most public schools being used year-round."

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