

# State senate authorizes impact fees

By [WALT WILLIAMS](#), Chronicle Staff Writer

HELENA -- The Montana Senate voted Tuesday to give cities and counties authority to assess impact fees on development, similar to those already in place in Bozeman.

Local governments with self-governing powers already have the ability to charge impact fees, but what they pay for has never been spelled out in state law.

Developers fear impact fees will be used to pay for projects unrelated to the impacts caused by their developments.

Cities and counties say the impacts of new development are far-reaching, and fees are the only way of preventing established residents from paying more in taxes.

Senate Bill 185 is meant to be a compromise between the two sides. It brings together two competing bills on the topic and merges them together into a single document.

"I think the strength of what you see here before you is it is a collaborative effort," Sen. Rick Liable, R-Victor, said.

Liable brought an impact fee bill requested by developers and builders. Sen. Jeff Mangan, D-Great Falls, brought SB 185, which was requested by cities and counties.

A team of government officials and developers worked to merge the two documents, and the final result was heard on the Senate floor.

Mangan said Tuesday was an exciting time for anyone who has worked on local government issues over the last few years. Bills concerning impact fees have been brought up several times, but they have always been rejected.

The bill passed with 39 votes and little discussion. While 11 senators voted against it, no one spoke against it.

It allows local governments to collect fees to pay for water systems, sewers, roads and streets, stormwater collection and emergency services.

Anything beyond that -- such as money for parks -- must be approved by a two-thirds vote of the governing body of a city or town, or a unanimous vote by county commissioners.

The bill also requires local governments to have impact fee advisory committees with representation from the development community.

The committee -- requested by developers -- will review the fee assessments and monitor how the money is spent, but it has no decision-making power.

Bozeman city officials worked on the team that came up with the bill. The city currently charges around \$8,000 per home in impact fees.

"I think it is a great bill and we will be supporting it," Bozeman City Manager Chris Kukulski said in a telephone interview Monday.

Developers sued Bozeman over its impact fees. Recently both sides announced they had reached a settlement resolving the lawsuit, although the settlement still has to go before the judge presiding over the case.

Kukulski said the bill has no impact on the settlement.

The bill still has a long way to go. First it must pass a third and final vote, although there is little chance the Senate will change its mind. After that it must win approval of the Montana House of Representatives before becoming law.

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