



## Developer fees may be earmarked for schools

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Beaufort County and school district officials are considering ways to raise money for new schools that don't depend on raising property taxes.

At meetings today, two County Council committees will discuss charging a fee for each new home built and earmarking the money for schools.

The county charged such a fee from 1995 to 1999 but stopped when state law was changed to spell out specific uses for impact fees. Those uses included roads, libraries and firefighting services; schools did not make the list.

Edna Crews, superintendent of the Beaufort County School District, said she not only supports school-impact fees but also wants to know how to speed up the collection of property taxes on newly built homes.

In Beaufort County now, new homes go on the tax rolls just once a year. The owner of a new home who moved in Jan. 5, 2005, for example, won't pay property taxes on the home until Jan. 15, 2007.

Part of the committees' work will be to begin developing a list of changes that Beaufort County's state lawmakers could push in the next legislative session.

In addition to school-impact fees, the list could include having wages considered when measuring a county's wealth for economic development; conducting property reassessments more than once every five years; and accounting for the impact of tourism on the state's roads.

But it's a school-impact fee that interests some school board members. Collecting such a fee was raised earlier this year by board member David Chase, chairman of the facilities committee.

Between 1995 and 1999, the county charged a \$953 school-impact fee for each new home built. Chase maintains that although state law doesn't say schools can receive impact fees, it doesn't specifically exclude them either.

William Halligan, the school board's attorney, said getting the General Assembly to allow school

impact fees might be a tough sell.

Impact fees, he said, must be based on a specific cost or estimated cost of the impact of a new home on a public service.

That's hard to do for schools, he said, because new school buildings and services will be used by residents who've lived in an area for years, as well as by the newcomers who would be paying the fee.

Two attempts have been made since 1999 to amend the law to include schools in the list of allowed uses for impact fees, he said. Neither one passed.

Some local officials said that when the county collected the school-impact fee, the results were disappointing. In 1999, County Councilman Len Tinnan said the fees were expected to generate \$3 million annually for schools, but they only generated about \$1.5 million.

Steve Riley, Hilton Head Island's town manager, said the county was considering dropping the fees at the time the law changed. The county wanted to charge impact fees for other services, such as roads and libraries, but that would have been hard to do with a school-impact fee already in place.

In 1999, then-Superintendent Herman Gaither said he wouldn't be disappointed if the county stopped collecting school-impact fees, but he warned that it would mean an increase in property taxes.

County Councilman Frank Brafman, who was a member of Hilton Head Island's Town Council in 1995, said he didn't support the school-impact fee in the 1990s and he couldn't support it now.

"In many cases," he said, "building new homes has no impact on schools."

For example, he said, in 1995 when the school-impact fee was implemented, developers of Sun City Hilton Head negotiated an agreement with the county to exempt homes there. The developer's rationale was that residents of the community would all be 55 or older so they would not have an impact on schools.

But, Brafman said, there are many retirees in Beaufort County living outside Sun City who also don't affect the schools.

"There has to be a better way to raise the money," he said.

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