

Impact-fee measure costly, burdensome

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 The Arizona Republic

A March 11 front-page story in *The Arizona Republic* featured a bold, truth-telling headline: "Census data: Arizona overbuilt during housing boom."

The article highlights that communities around Arizona are still grappling with the impacts stemming from enormous growth over the past decade. Cities and towns are dealing with empty homes, vacant lots and overburdened infrastructure.

Sadly, lobbyists for the homebuilding industry are playing a game of revisionist history at the state Capitol and ignoring the painful mistakes of the recent past. The lobbyists are now seeking to incentivize their industry at the expense of existing taxpayers by changing the rules on impact fees.

Arizona voters have consistently stated that new growth should pay for itself. Impact fees are imposed on developers to help communities pay for the necessary infrastructure and public services needed to meet the demands placed on communities by new residents. Impact fees were first instituted nearly 30 years ago, and the system has evolved gradually based on changes carefully negotiated to balance the interests of both cities and the development community.

Now, the homebuilders associations have come forward with a far-reaching bill that would rewrite all the rules.

Senate Bill 1525 would leave Arizona taxpayers footing the bill for community needs that are driven by new-home developments. In fact, the bill would micromanage the development of cities and towns, taking decision-making abilities away from locally elected officials. Passage of the legislation could bring higher property or utility rates, adversely affecting our quality of life.

SB 1525 would also grow government and create more bureaucracy at the local level. Under this scheme, Arizona's cities and towns, which are already struggling to balance their budgets, would be forced to spend more money on staff and resources to navigate the maze of complex and often contradictory regulations created by this bill. These additional costs, unfortunately, would have to be shifted onto existing residents.

More than ever, business leaders and economists are urging Arizona to move away from our history of "boom and bust" economic cycles.

The Arizona Chamber of and Industry recently wrote in its budget recommendations for

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this fiscal year: "A lack of economic diversification and an over-reliance on growth-related industries, such as real estate and construction, contributed to Arizona's difficult economic circumstances."

Unless significant changes are made, SB 1525 will overrule and undo many of the reforms fought for over in recent years by local mayors and council members - the branch of government closest to the people. The legislation so completely changes how impact fees are calculated that the program could be rendered nearly useless.

Taken together, the changes proposed in SB 1525 will move us substantially away from the fundamental principle that new growth should pay for itself and should not be shifted on to existing residents.

Please tell your state legislators to reject SB 1525. Arizona's taxpayers simply cannot afford such "reform."

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