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## **Impact fee help may be on way**

### **State task force may suggest lowering costs for some, but deal is far from done.**

By [Dale White](#)

SARASOTA COUNTY -- Local governments should give several months' notice before raising impact fees and consider exempting lower-income home buyers from having to pay them, a state task force says.

At the request of the Legislature, the 15-member Florida Impact Fee Review Task Force is exploring possible changes in how local governments levy fees on new construction to help pay for roads, parks, schools and other needs.

Statewide, impact fees bring in roughly \$1 billion that arguably would otherwise have to be raised through local property taxes.

The task force's recommendations are still a work in progress.

The building industry thinks the recommendations don't go far enough in making local governments more accountable. Local governments gripe that the development lobby wants to handicap their ability to assess and raise the fees.

As it faces a Feb. 1 deadline, the panel is likely to end up with a set of compromises that won't entirely please fans or critics of impact fees.

"The task force is bringing this in for a landing," said Edie Ousley, spokeswoman for the Florida Home Builders Association. "Opinions about it vary greatly."

Sarasota County Commissioner Jon Thaxton, a task force member, would prefer it not make any recommendations to the Legislature.

"From my perspective, the Legislature has no business or need to involve themselves in the impact fee discussion," Thaxton said. "Those decisions should be left to the individual counties, cities, school boards and special taxing districts."

Thaxton believes impact fee opponents want to use the Legislature to maneuver around 30 years of case law establishing why and how local jurisdictions can assess the fees.

"There's no requirement in the Legislature to make decisions based on factual evidence," Thaxton said. "That's why they (builders) want the arena changed."

#### **Who should pay and how?**

So far, the task force has picked up on some of the builders association's ideas.

It recommends that fee increases shouldn't take effect immediately. Builders complain that spikes in fees can cause prices of homes under construction to climb by thousands of dollars.

The task force has not decided about the length of the waiting period. The association suggests six months, during which people who file for building permits would not have to pay the higher fees.

Thaxton contends that any decision about a waiting period should rest with local elected officials.

"It's kind of a double standard," Thaxton said. Builders leave themselves leeway to renegotiate contracts with buyers when other expenses, such as labor or materials, go up during construction, he noted.

The task force also adopted the association's idea that local governments should be encouraged to exempt low- to moderate-income buyers from paying impact fees.

"It's important to understand it's not the builder who pays the impact fees -- it's the buyer," Ousley said. Impact fees can help push new homes out of an affordable range for many families, she said.

"That's a red herring argument," Thaxton said. "Impact fees amount to about six to eight months of real estate inflation. Trying to lower the cost of housing by eliminating impact fees is like trying to eliminate your electric bill by removing the light in your refrigerator."

Builders include the fees in the final price of a home, which buyers generally end up financing over 15 to 30 years.

The association wants home buyers to have the option of paying the fees in full at closing, or possibly in part at closing and making interest-free payments on the remaining amount with their property taxes over the next five to 10 years.

So far, the task force hasn't adopted that idea.

### **Differing rules and formulas**

Thaxton prevailed in getting the task force to back off the idea of a statewide cap on impact fees.

"The cost of building a road is the cost of building a road," Thaxton said. "Government doesn't control the price of concrete, labor or land."

Regardless, for political and legal reasons, local governments tend to set impact fees well below what could be justified, Thaxton said.

The builders association still hopes lawmakers will address the disparity in fees among jurisdictions, which can range from zero to upwards of \$20,000, Ousley said.

In this area, impact fees vary considerably. Charlotte County charges about \$2,510 for a typical house. Sarasota County charges about \$5,500. Manatee County charges \$9,430 to nearly \$12,000, depending on the size of the house.

Those totals do not include water and sewer connection charges, which some builders contend

are impact fees and local officials often argue are not. The Sarasota and Manatee totals include school impact fees.

Some jurisdictions call for the fees to be paid with the building permit. Others tie it to the certificate of occupancy. Some have flat rates. Others adjust the fees according to square footage or the number of bedrooms.

Builders regard such variations as hard to justify.

Their association would like to see some conformity in how impact fees are calculated. The only means of doing that is by state law, Ousley added.

"We have said from the beginning that we think impact fees are a necessary component" in paying for growth, "but they should be fair and reasonable," Ousley said.

The task force meets in Tallahassee on Jan. 18. If necessary, it will schedule another meeting for Jan. 31.

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