

# City, county at odds over road impact fees

By AMANDA RICKER Chronicle Staff Writer

Without cooperation from Gallatin County, the Bozeman City Commission says a proposal to increase city road-impact fees will encourage businesses to set up shop outside of town, increasing rural sprawl and the carbon footprint.

County commissioners last week approved a road-impact fee increase on new homes, but not businesses. City leaders said that decision will give businesses a financial incentive to build outside of town if the city approves its own proposal to increase road-impact fees.

The City Commission on Monday considered abandoning its measure to increase fees before unanimously voting to delay its decision until Dec. 10.

"We have a greater good, which is keeping businesses attracted to Bozeman," City Commissioner Steve Kirchhoff said.

Delaying the decision also allows the Community Impact Fee Advisory Committee to finalize its recommendation on the proposal.

Gallatin County Commissioners Steve White and Bill Murdock said Tuesday that the compromise city officials are seeking on road impact fees isn't likely.

"I really don't think it's our job to coordinate our impact-fee schedules with the city," Murdock said.

Comparing impact fees in cities and counties is like comparing "apples and oranges," White said. Charging the fees to businesses in areas such as Big Sky, where there are no county roads, would violate state law, he said.

Murdock said not collecting impact fees from businesses will help keep the county "near bulletproof" from lawsuits.

"To make a long story short, we have many commercial enterprises in Big Sky who were going to sue us," he said.

Bozeman and Gallatin County are among many local governments reevaluating impact fees as a result of a 2005 state law that requires justification of impact fees. Bozeman is doubly required to study its fees as part of a settlement from a lawsuit filed several years ago by members of the building community.

The city's plan would nearly double the amount of road-impact fees paid for a new retail business and nearly triple the amount paid for a new home, said Chris Saunders, Bozeman's assistant planning director. But the increase is necessary to pay for new roads that have become far more expensive to build due to skyrocketing fuel and steel prices, but are needed to keep up with Bozeman's rapid growth, he said.

Local officials say impact fees take the burden of paying for growth off of long-time taxpayers who had little or no role in bringing about the growth.

Critics contend that impact fees are a politically expedient crutch for elected officials who want to generate money for government without raising taxes. They also say impact fees make housing more unaffordable.

Saunders said Bozeman's road impact fees haven't been updated for 11 years.

If the current fees were replaced by property taxes, which would require voter approval, property taxes would need to be increased by 23 percent, said Anna Rosenberry, city finance director.

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