

## Letter, 10/27: Impact fee policy senseless

OCTOBER 26, 2012 11:55 PM

The current impact fee policy makes about as much sense as exempting movie theater popcorn from sales taxes to help out the average popcorn-eating moviegoer.

To not tax land developers for their share of the input cost means you are shifting the city's development cost onto the average taxpayer. The price of movie theater popcorn is based on what the market will bear, not what it costs to pop. And the price of a residential lot is based on market forces, not input costs.

All for-profit businesses set their prices based on market forces. Only the government sets prices based on input costs. Low impact fees help the biggest of the big. Small businesses such as plumbers, roofers and electricians do not have pricing power based on impact fee policy. The pricing power is all with the big landholders and lot developers. An artificially low impact fee policy boosts their bottom line at the expense of the average taxpayer.

Imagine if the city administration raised sales and property taxes to fund subsidies on new residential lot development. What would the reaction be? The argument should be between how much the land developer pays versus the building developer of the total cost of the city infrastructure improvement. Keep the average taxpayer out of the equation.

*Michael James, Lincoln*