

Impact Fee Bill Heading for Roadblock?  
 House committee could kill impact fees bill.  
[By Nicholas M. Horrock](#)  
 February 27, 2008

A bill that would take the right to negotiate the amount builders and developers contribute to schools, fire and police protection and roads out of the hands of local government has been sent to the Virginia House of Delegates rules committee where opponents believe it may be sidetracked by the Republican majority.

The bill, which narrowly passed the Virginia Senate 21 to 19 on Feb. 12, was directed away from a committee on local government, where home builders are strong, to House rules committee, chaired by Speaker of the House Bill Howell (R-28), where the bill's opponents believe it may be diverted for at least one year. The bill was scheduled for the rules committee's Feb. 26 agenda.



"WE NEED a year to study this bill," said Stewart Schwartz, executive director of the Coalition for Smarter Growth. "Let's study the cost of proffers under the proposals in this bill and under ways that local governments have been operating and reach an agreement on the fairway to pay for new growth." The bill, Senate SB 768, sought to limit the amount of contributions for local needs that builders and developers had to make to \$8,000 for each single-family home in Northern Virginia and \$5,000 in other parts of the state. These contributions, called "proffers," are sought so builders and developers can defray costs they impose on a county or a city when they open a new development to thousands of new residents.

If the developers didn't make these payments, the taxpayers would.

"I think the House Republicans will understand this is a backdoor way to pass a tax increase on millions of Virginians," said Bob Lazaro, spokesman for the Piedmont Environmental Council.

Opponents claim that counties net far more from developers under the current system. Loudoun County "currently collects approximately \$47,000 per each new house above a by-rights units in rezoning, compared to \$8,000 or less that would come from new fees," opponents claim.

In 2007, 88 counties, 36 cities and 157 townships were eligible to use cash proffers and many do, the opponents said in a statement.

IN THE fast-growing Northern Virginia suburbs, the cost of roads, transit, schools, parks, police/fire, libraries and water/sewer service could not have been met if the taxpayers had to bear it all the costs local governments claim.

The Virginia Association of Counties unanimously adopted a resolution condemning the measure. "That should this irresponsible legislation become law, the land-use process in the Commonwealth will be broken and forever contentious." Every Northern Virginia County and city criticized the proposal.

The backers of the bill called the present system "bribery" where builders and developers are forced to pay to get their projects approved. They claim the notion these payments are voluntary are not true. The backers claim the so-called "impact" payments will lower the price of a home or an apartment when the business is slow and help sales. They also claim that the bill would not be limited to rezoning applications, but could be invoked on "by right," construction where the developer has a right to build his project.

THE BILL WAS quietly launched just before legislative rules closed for such a measure by Sen. John Watkins (R-10). It was written in part by the Home Builders Association of Virginia, said Lazaro. And with the news in January in Northern Virginia dominated by the battle over Dulles Corridor Rail, the bill got little attention at first.

By mid-February, opposition had mounted and the bill was held to a narrow 21 to 19 victory. Three legislators were the only ones from Northern Virginia to vote for the bill and their support was vital to victory. Democratic Senators Dick Saslow (D-35), Janet Howell (D-32) and Mary Margaret Whipple (D-31) voted in favor of the measure. All three have received thousands of dollars from the homebuilders and dozens of other contributors who have an interest in the building and development industry in Northern Virginia. None of them could be reached for comment on thei