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Impact Fee Bill Splits Homebuilders, Counties

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Florida homebuilders are pushing legislation that would reduce the impact fees they pay when they build new homes.

But county governments that rely on those fees to pay for new schools, roads and other infrastructure created by growth are worried the proposal could cost them millions.

And they want state lawmakers to stop meddling in their finances.

"It's none of the state's business," said Sarasota County Commissioner Jon Thaxton. "This is county government's business. We are the ones responsible for assessing and spending the fees."

Impact fees have been a fact of life for developers and home buyers in Florida for three decades, helping fund the growth boom.

Counties across the state decide how much to collect and how to spend the money.

But that might change under a bill filed this week by state Sen. Mike Bennett, R-Bradenton, and state Rep. Donna Clarke, RSarasota.

Just last week, Bennett created a stir by proposing to give counties more power to raise taxes on their own. Some county commissioners thought he was just trying to shift the burden of raising taxes away from the state and onto the counties.

As written, the impact fee bill would limit the administrative costs local governments can attach to impact fees and require that impact fee discounts be granted to developers. It would also lengthen the time an increase in fees can be enacted, and require local governments to report impact fee information to a state auditor.

The net effect, local government officials said Friday, would be to lower the amount developers pay.

William Clague, an assistant county attorney in Manatee County, recommended in a memo this week that county commissioners pass a resolution opposing the bill.

The result of the bill, he wrote, "will be to obliterate the county's impact fee program."

Bennett said Friday the bill is more about standardizing impact fee collection than it is about

money.

"There's no definition of impact fees, or how they should be calculated," he said. "So, in the county of Manatee, you have it one way, in Sarasota another and in Collier another. This clarifies how they should be calculated."

Bennett said he did not think the bill, if passed, would drastically reduce the amount of money counties collect.

But Sarasota's assistant county administrator, Dave Bullock, said the bill would significantly reduce the fees collected for transportation.

"What they are really doing is shifting their costs to the rest of the people," Bullock said.

Doug Buck, director of governmental affairs for the 18,000-member Florida Home Builders Association, said impact fees aren't being levied fairly across the state. Some local governments, he said, are using the fees to supplement their budgets at a time when elected officials are reluctant to raise taxes.

"Local governments are getting strapped for money, and we're starting to feel a little abused," he said.

If a buyer moves into a new home and faces a property tax that will help build a new school, the amount of that tax should be subtracted from the impact fee, he said.

While some counties do provide such credits, the bill would require all counties to adopt them. Buck said his staff drafted language for the bill and approached Bennett, who said his staff wrote the bill.

Bennett, a developer, said he was approached because the homebuilders association knows his background in building.

"They started talking to me about three years ago about bringing common sense to impact fees," he said.

Bennett said he has never built a home and never paid an impact fee. "I primarily develop dirt and sell dirt," he said.

The bill, Bennett said, favors homeowners more than developers.

"Say impact fees reach \$110,000, like in Orange County, Calif. How many firefighters could afford a house?" he asked.

Bennett said he's open to compromise, but local officials contacted Friday were not in a compromising mood. About \$20 million in impact fees were collected in fiscal year 2003-04 in Manatee County. In Sarasota County, about \$10,000 in impact fees is collected on each new, single-family home.

"Frankly, I don't think there is compromise or wiggle room," said Sarasota County Commissioner

Shannon Staub.

The House Growth Management Committee is scheduled to hear the bill on Tuesday, the same day county commissions in Sarasota and Manatee will discuss it.

Tom Arthur writes for the Herald-Tribune in Sarasota.
