

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 12, 1996

SUBJECT: **SB 2503 - HB 2982**

This bill, if enacted, will provide a “sole authority” under which local governments may impose impact fees. Changes to current law include:

1. Local governments are required to pass an ordinance or resolution to impose such fees by a two-thirds majority of the legislative body.
2. Administration costs cannot be included in the calculation of costs for which fees may be assessed.
3. Impact fees must be “directly attributable or directly related” to service demands. Current law requires that fees be “reasonably attributable or reasonable related” to such demands for development.
4. No counties or municipalities are excluded.
5. Any local government establishing an impact fee must create an Impact Fee Advisory Committee with at least 40% of its membership comprised of representatives from the real estate building or development industries.

Any impact fee program currently in place will have 18 months in which to come into compliance with the bill or have the program declared null and void.

The fiscal impact from enactment of this bill is estimated to be a decrease in local government revenues. The amount of such decrease cannot be determined but is estimated to exceed \$100,000.

The fiscal impact from enactment of this bill is also estimated to be an increase in local government expenditures to the extent that members

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of the advisory committee are reimbursed for expenses. Such increase cannot be determined but is estimated to be not significant.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, prominent initial "J".

James A. Davenport, Executive Director