

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-2113/3	Introduction Number AB-0341
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Description
 Imposing fees for acquiring public park land, dedicating storm water treatment facilities to the public, changing the time relating to when impact fees must be paid and used, and regulating the costs of certain professional services provided through a political subdivision

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue		<input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOR/ Daniel Huegel (608) 266-5705	Authorized Signature Paul Ziegler (608) 266-5773	Date 5/21/2007
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Fiscal Estimate Narratives

DOR 5/21/2007

LRB Number	07-2113/3	Introduction Number	AB-0341	Estimate Type	Original
Description Imposing fees for acquiring public park land, dedicating storm water treatment facilities to the public, changing the time relating to when impact fees must be paid and used, and regulating the costs of certain professional services provided through a political subdivision					

Assumptions Used in Arriving at Fiscal Estimate

This bill makes several changes to the statutes concerning impact fees imposed on developers by municipalities and how these fees can be used by municipalities.

Under current law, impact fees generally must be used within seven years of collection, with a three-year extension allowed for sufficient cause. Under the bill, impact fees must be used within ten years of collection, with a three-year extension allowed if the municipality provides written findings describing the need for the extension. The bill also provides that (a) impact fees collected before January 1, 2003 must be used by December 31, 2012, and (b) any impact fees collected after December 31, 2002, and before April 11, 2006, must be used by the beginning of the 120th month after they were imposed. Both current law and the bill requires that impact fees not used within the specified time period must be refunded, with interest, to the current owners of any property on which the fees were imposed.

Under current law, a developer must pay any impact fees within 14 days of the issuance of a building permit or occupancy permit. Under the bill, the impact fee is due on the date agreed to between the developer and the municipality. If no such agreement exists, the impact fee is payable on the earliest of the following: (a) upon the issuance of a building permit by the municipality, (b) upon the issuance of an occupancy permit by the municipality, or (c) the first day of the 60th month after the land development received municipal approval.

Under current law, plat approval by a municipality can be conditioned on compliance with local ordinances, including comprehensive plans. However, municipalities may not condition approval upon payment of any fees for the acquisition or improvement of land. Under the bill, an exception is created regarding fees for the acquisition or improvement of land for public parks.

Under current law, if areas on a plat are designated for public uses, approval of the plat is deemed acceptance of those areas for those purposes. Such dedicated lands are held by the municipality in trust for the designated purposes. Under the bill, an exception is created for lands dedicated to the public for storm water management. Such land is not deemed accepted by the municipality until at least 80% of the lots in the subdivision have been sold and a qualified, registered engineer has determined that the facility is functioning properly, any necessary plantings are free of invasive species, and necessary maintenance of the facilities has been properly performed.

Under current law, a municipality or county may impose fees for services, but the fees must bear a reasonable relationship to the service for which the fee is imposed. Under the bill, if a municipality or county purchases legal, or other professional services from another entity or person, any amounts charged to users or recipients of such services may not exceed the contracted rate agreed to by the political subdivision and the person providing the professional service.

The Department of Revenue has no data on the amount of impact fees currently imposed by municipalities, the timing and amount of spending funded from impact fees, the amount of and any interest paid on refunded impact fees, the extent to which impact fees are used for the acquisition or improvement of parks, or the amount of land dedicated in plats for the purpose of storm water control. Therefore, the Department is unable to reasonably estimate the impact these parts of the bill will have on impact fee collections and the use of such fees.

The Department of Revenue also has no data on the amount of fees currently being collected by municipalities and counties for legal, or other professional services and passed on to the users or recipients of such services. However, since current law requires that any charges for these services bear a reasonable relationship to the service, the differences between what a municipality or county pays for such a service

and the amount billed are expected to be insignificant. Therefore, the Department expects that this provision of the bill will have little, if any, effect on municipal or county revenues.

The bill imposes no costs on the Department of Revenue.

Long-Range Fiscal Implications