

Fiscal Estimate Narratives

PSC 4/18/2006

LRB Number	05-4894/1	Introduction Number	SB-681	Estimate Type	Original
Description Changes to the impact fee law and imposing certain requirements on other fees imposed by political subdivisions					

Assumptions Used in Arriving at Fiscal Estimate

This bill limits the imposition of impact fees to municipalities (city, village, or town). Counties which currently are included under the law are excluded by this bill. The bill continues to allow the use of impact fees for an array of public facilities including playgrounds...but specifically excludes their use for "other recreational facilities."

The bill requires that municipalities follow generally accepted accounting principals (GAAP) and further clarifies that specific tracking and reporting is necessary for each impact fee that is issued. The reporting requires an annual report listing each individual impact fee which is in an account and the purpose for which that impact fee was or is to be spent. There is a new limitation on the bill that expenditures must be made within 10 years of collection or returned with interest to the current owner of the property. It is not clear how the 10 year requirement is to be applied to impact fees that have already been charged. The present provision for flexible payment of the impact fee via installments is eliminated necessitating payment in full to the municipality within 14 days of the issuance of the building or occupancy permit.

One change that would have fiscal impact to the municipality is the annual reporting requirement. This condition along with GAAP accounting and the requirement to place all fees charged in a separate interest bearing account is broadened to include not only impact fees but all fees imposed by a political subdivision. See s. 66.0628(3) Stats. While an additional cost, this impact may be minimal in contrast to the capital that can be generated through the use of this particular tool to fund the new infrastructure needed to serve developing properties

Long-Range Fiscal Implications

Indeterminant