1 A bill to be entitled 2 An act relating to impact fees; amending s. 163.31801, 3 F.S.; providing definitions; revising the conditions that counties, municipalities, and special districts 4 5 must satisfy before enacting an impact fee by 6 ordinance or passing an impact fee by resolution; 7 providing timeframes for the collection of impact fees 8 by local governments; providing that impact fee 9 credits are assignable and transferrable under certain 10 conditions; requiring certain counties and 11 municipalities to establish impact fee review 12 committees; providing for membership; providing 13 procedures for holding meetings and establishing 14 quorums; providing committee duties; providing an effective date. 15 16 17 Be It Enacted by the Legislature of the State of Florida: 18 19 Section 1. Section 163.31801, Florida Statutes, is amended 20 to read: 21 163.31801 Impact fees; short title; intent; minimum 22 requirements; audits; challenges.-23 This section may be cited as the "Florida Impact Fee 24 Act." 25 The Legislature finds that impact fees are an (2)

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important source of revenue for a local government to use in funding the infrastructure necessitated by new growth. The Legislature further finds that impact fees are an outgrowth of the home rule power of a local government to provide certain services within its jurisdiction. Due to the growth of impact fee collections and local governments' reliance on impact fees, it is the intent of the Legislature to ensure that, when a county or municipality adopts, collects, or administers an impact fee by ordinance or a special district adopts, collects, or administers an impact fee by resolution, the governing authority complies with this section to ensure a consistent statewide process.

(3) For purposes of this section:

- (a) The term "infrastructure" means any fixed capital expenditure or fixed capital outlay associated with the construction, reconstruction, or improvement of a public facility, excluding the cost of repairs or maintenance, that have a life expectancy of 5 or more years; any related land acquisition, land improvement, design, engineering, and permitting costs; and all other related construction costs required to bring the public facility into service.
- (b) The term "public facility" means any facility as defined in s. 163.3164(39), and includes any fire and law enforcement facility.
  - (4) At a minimum, each county and municipality that

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adopts, collects, or administers an impact fee by ordinance and each special district that adopts, collects, or administers an impact fee by resolution an impact fee adopted by ordinance of a county or municipality or by resolution of a special district must satisfy all of the following conditions:

- (a) Require that the calculation of the impact fee must be based on the most recent and localized data collected within the last 36 months and excludes any cost that does not meet the definition of infrastructure.
- impact fee in a separate impact fee account, if the local governmental entity imposes an impact fee to address its infrastructure needs. The local government must provide for accounting and reporting of impact fee collections and expenditures. If a local governmental entity imposes an impact fee to address its infrastructure needs, the entity must account for the revenues and expenditures of such impact fee in a separate accounting fund.
- (c) <u>Limit</u> administrative charges for the collection of impact fees <u>must be limited</u> to actual costs. <u>The cost per student station established in school impact fee calculations may not exceed that statutory total maximum cost per student station calculated under s. 1013.64(6).</u>
- (d) The local government must Provide notice not less than 90 days before the effective date of an ordinance or resolution

imposing a new or increased impact fee. New or increased impact fees may not apply to current or pending permit applications submitted before the effective date of an ordinance or resolution imposing a new or increased impact fee. A county or municipality is not required to wait 90 days to decrease, suspend, or eliminate an impact fee.

- (e) Collection of the impact fee may not be required to occur earlier than the date of issuance of the building permit for the property that is subject to the fee.
- <u>(e) (f)</u> Ensure that the impact fee <u>is</u> must be proportional and reasonably connected to, or <u>has</u> have a rational nexus with, the need for additional <u>infrastructure</u> capital facilities and the increased impact generated by the new residential or commercial construction.
- $\underline{\text{(f)}}$  Ensure that the impact fee  $\underline{\text{is}}$  must be proportional and reasonably connected to, or  $\underline{\text{has}}$  have a rational nexus with, the expenditures of the funds collected and the benefits accruing to the new residential or nonresidential construction.
- (g) (h) The local government must Specifically earmark funds collected under the impact fee for use in acquiring, constructing, or improving <u>infrastructure</u> capital facilities to benefit new users.
- (5) Collection of the impact fee may not be required to occur earlier than the date of issuance of the building permit for the property that is subject to the fee.

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(6)(i) Revenues generated by the impact fee may not be used, in whole or in part, to pay existing debt or for previously approved projects unless the expenditure is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential or nonresidential construction.

- (7)(4) The local government must credit against the collection of the impact fee any contribution, whether identified in a proportionate share agreement or other form of exaction, related to public education facilities, including land dedication, site planning and design, or construction. Any contribution must be applied to reduce any education-based impact fees on a dollar-for-dollar basis at fair market value.
- (8) (5) If a local government increases its impact fee rates, the holder of any impact fee credits, whether such credits are granted under s. 163.3180, s. 380.06, or otherwise, which were in existence before the increase, is entitled to the full benefit of the intensity or density prepaid by the credit balance as of the date it was first established. This subsection shall operate prospectively and not retrospectively.
- (9)(6) Audits of financial statements of local governmental entities and district school boards which are performed by a certified public accountant pursuant to s. 218.39 and submitted to the Auditor General must include an affidavit signed by the chief financial officer of the local governmental

entity or district school board stating that the local governmental entity or district school board has complied with this section and the spending period provision in the local ordinance or resolution.

- (10) (7) In any action challenging an impact fee or the government's failure to provide required dollar-for-dollar credits for the payment of impact fees or for contributions made as provided in this chapter s. 163.3180(6)(h)2.b., the government has the burden of proving by a preponderance of the evidence that the imposition or amount of the fee or credit meets the requirements of state legal precedent and this section. The court may not use a deferential standard for the benefit of the government.
- (11) Impact fee credits are assignable and transferable at any time after establishment from one development or parcel to any other development or parcel within the same impact fee jurisdiction for the same type of public facility for which the impact fee applies.
- (12) (8) A county, municipality, or special district may provide an exception or waiver for an impact fee for the development or construction of housing that is affordable, as defined in s. 420.9071. If a county, municipality, or special district provides such an exception or waiver, it is not required to use any revenues to offset the impact. To ensure impact fees or equivalent contributions are only collected once,

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151	a local government shall provide impact fee credits or other						
152	forms of compensation if a contribution is greater in value than						
153	the applicable impact fee. Contributions related to the						
154	transportation system are creditable against the combined total						
155	of all impact fees and exactions charged for mobility. This						
156	subsection applies at the time any contribution is accepted,						
157	regardless of when the contributions were agreed upon or						
158	committed to.						
159	(13)(a) Each county and municipality that assesses impact						
160	fees must establish an impact fee review committee.						
161	(b)1. The committee shall be composed of the following						
162	members appointed by the county commission or the governing body						
163	of the municipality, as applicable:						
164	a. Two members who are employed by the county or						
165	municipality.						
166	b. Two members who represent the business community.						
167	c. Two members who are local licensed general or						
168	residential contractors.						
169	d. One at-large member.						
170	2. The county commission or the governing body of the						
171	municipality, as applicable, shall appoint three alternate						
172	members, consisting of one representative from each of the						
173	categories described in sub-subparagraphs 1.a., b., and c., who						
174	shall serve in the absence of their respective member.						
175	3. Members and alternate members must be qualified						

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CODING: Words stricken are deletions; words underlined are additions.

176	electors	of the	e count	y or	municipality,	as	applicable,	for	at
177	least 2	years k	efore	their	appointment.				

- 4. Committee members shall serve at the pleasure of the local government and shall serve until they are replaced.
- (c)1. Each committee meeting must be duly noticed and open to the public as required by s. 286.011.
- 2. A meeting may not be held unless a quorum is present. A quorum consists of a majority of members of the committee, but an alternate member shall count toward the quorum when a regular member is absent.
- 3. A member who fails to attend three consecutive meetings or fails to attend two-thirds of the meetings within a calendar year automatically forfeits the appointment, and the county commissioners or members of the governing body of the municipality, as applicable, shall promptly fill the vacancy.
- 4. Members of the committee shall serve without compensation.
  - (d) The committee shall meet as needed to:
- 1. Establish a policy and methodology for determining impact fees on new developments.
- 2. Review the proposed impact fee on each new development before the fee becomes final.
- 3. Submit recommendations made by the impact fee committee to the county commission or governing body of the municipality, as applicable. The recommendations must be presented at the

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202	discussed and voted upon.							
203	4. After each impact fee is adopted by the local							
204	government, review all proposed expenditures of that impact fee							
205	to ensure the fee is used for capital projects within the							
206	jurisdiction.							
207	(14) <del>(9)</del> This section does not apply to water and sewer							

meeting when the impact fee on the new development will be

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 $\underline{(14)}$  (9) This section does not apply to water and sewer connection fees.

Section 2. This act shall take effect July 1, 2020.