Committee on Community Affairs

CS/CS/CS/HB 337 — Impact Fees

by State Affairs Committee; Ways and Means Committee; Local Administration and Veterans Affairs Subcommittee; and Rep. DiCeglie and others (CS/CS/CS/SB 750 by Appropriations Committee; Finance and Tax Committee; Community Affairs Committee; and Senators Gruters and Perry)

Impact fees are fees imposed by counties, municipalities, and some special districts to fund local infrastructure needed to expand local services to meet the demands of population growth caused by development. An impact fee enacted by a county or municipal ordinance or special district resolution must meet certain minimum statutory criteria. The calculation of an impact fee must have a rational nexus both to the need for additional capital facilities and to the expenditures of funds collected and the benefits accruing to the new development construction.

The bill provides specific limitations on the amount by which a local government may increase its impact fees. The limitations operate retroactively to January 1, 2021, and are as follows:

- An impact fee increase of not more than 25 percent of the current rate must be implemented in two equal annual increments, beginning with the date on which the increased fee is adopted;
- An impact fee increase of between 25 and 50 percent of the current rate must be implemented in four equal installments;
- An impact fee increase may not exceed 50 percent of the current impact fee rate; and
- An impact fee may not be increased more than once every four years.

However, a local government may exceed these limitations if the local government completes a demonstrated-need study that justifies the increase and demonstrates the extraordinary circumstances, holds at least two publicly noticed workshops, and adopts the impact fee increase by at least a two-thirds vote.

The bill also makes the following changes to current impact fee law:

- Defines the terms “infrastructure” and “public facilities,” used throughout the impact fee statutes, in order to specify that impact fees may be utilized only for fixed capital expenditures or fixed capital outlays for major capital improvements;
- Prohibits a local government from increasing an impact fee retroactively for a previous or current fiscal or calendar year; and
- Requires special districts, in addition to local governments, to issue dollar-for-dollar impact fee credits for impacts on the same public facilities in exchange for other required contributions received (i.e., proportionate share agreement or other exactions).

Finally, the bill requires the chief financial officer of a local government, school district, or special district to attest annually by affidavit that, to the best of his or her knowledge, all impact fees were collected and expended in compliance with the spending period provision in the local ordinance or resolution, and that impact fee funds were used only to acquire, construct, or improve specific infrastructure needs.

If approved by the Governor, these provisions take effect upon becoming law.
Vote: Senate 28-12; House 94-23