

AMWUA Monitors HB2259

[HB2259: Development Fees; Proportional Share](#)

HB2259 would require that development fees not exceed the “proportionate share” of the costs incurred by the city or town in providing infrastructure to new development. This requires that the infrastructure must be at the same level of service as in other parts of the city or, if the infrastructure will result in an increased level of service to existing residents, the costs of the new infrastructure must be divided proportionately between the development and the existing residents.

The bill would also require that all monies to be paid for infrastructure by existing residents must be spent before any impact fee revenues collected for that infrastructure is spent.

HB2259 would additionally require that the required infrastructure improvement plan (IIP) for the fees must identify the amount and sources of all revenues from existing residents that would be contributed to the infrastructure costs. It would also require the plan to identify the sources and amounts of revenue from existing residents that would be used to service bonds used to pay for the infrastructure.

The additional regulations proposed in HB2259 makes compliance with already cumbersome state regulations even more costly for cities and their taxpayers, without substantive benefit to the general public.

Title 9 authorizes cities and towns to assess development fees, more commonly known as “impact fees,” in order to pay for the infrastructure costs generated by expanding development. By law, a city or town must conduct a rigorous study and infrastructure improvements plan (IIP) that identifies the categories of improvements that must be made. The municipality is required to explain the relationship between the fee that is to be assessed and the infrastructure improvements plan.

Current law also requires the IIP to be released to the public at least 90 days prior to the adoption of the fee and at least 30 days prior to the required public hearing on the plan. The fees are also not effective for an additional 75 days following the adoption of the fee.

The amount of an impact fee must bear a reasonable relationship to the burden imposed on the municipality for new infrastructure that is necessary for the new development.

Sponsor: Representative Biggs

Titles Affected: 9

Last action: Referred to House Gov