

LEGISLATIVE REPORT

- SUBJECT:** School Impact Fees
- REFERENCE:** Act 245, SLH 2007 (HB 19, HD2, SD2, CD1)
- ACTION REQUESTED:** Requires the DOE to implement a law establishing school impact fees from the developers of new residential developments to offset the impact of the new development on public school facilities.
- DOE REPORT:**
- Introduction:** The Legislature in 2007 passed Act 245 requiring the Department of Education (DOE) to charge developers of new residential units an impact fee comprised of land and/or money. The fees would be used for new or enlarged public school facilities. The bill included a formula for calculating land and money amounts.
- Act 245 requires the identification of districts where the impact fees will be imposed and an impact fee analysis for each of the proposed districts.
- No funding was provided for the required analysis.
- Status Report on Act 245.** The DOE did not have excess staff time to do the analysis required. The DOE used other program funds to hire a planning consultant starting in May 2008.
- The DOE has also prepared a bill for the 2009 Legislature that clarifies how the impact fees are to be calculated and administered. The housekeeping bill sets the formulas that will be used to calculate fees, clears up ambiguous language and eliminates one practice that would violate the legal test for impact fees
- The DOE will hold its first public hearing on an identified impact district on November 18, 2008. The Board of Education (BOE) will consider adoption of the first district following the hearing. There are approximately eight (8) to ten (10) possible additional districts. Each district requires identification, analysis, a public hearing and BOE approval.
- FINDINGS:** Act 245 requires identification and analysis of school impact districts by July 2008. DOE has identified all potential

districts; the BOE has given consideration to the first district; and we have begun in-depth analysis of the first district.

RECOMMENDATIONS: None.