



-
- [Home](#)
 - [News](#)
 - [Opinion](#)
 - [Sports](#)
 - [Features](#)
 - [Obituaries](#)
 - [Classifieds](#)
 - [Legal Notices](#)
 - [Back issues](#)
 - [Subscribe](#)
 - [Contact us](#)
 - [Submit a story](#)
 - [Newsfeed](#)
 - [Advanced Search](#)
-

[Welcome to The Clark Fork Chronicle](#)

Wednesday, April 02 2008 @ 07:29 PM MDT

[Login](#)
[New User](#)

Impact Fees 101

Wednesday, April 02 2008 @ 06:54 PM MDT

Contributed by: [Admin](#)

by Richard Werst

It is not yet set in stone, but impact fees on new construction are a real possibility in the Frenchtown Rural Fire District.

At a special board meeting April 1, fire board trustees and about 20 community members learned impact fee basics from Dwayne Pierce Guthrie, a principal for TischlerBise, a fiscal, economic, and planning consultant.

If approved, the impact fees imposed by the district will be in addition to any that are charged by the county and authorized by the Missoula County commissioners.

Impact fees were authorized under the Montana Impact Fee Act, Guthrie reported, which became effective April 19, 2005.

In an online analysis of the law for their members, the Montana Building Industry Association (MBIA) reported that: "The law defines 'impact fee' as any charge imposed upon development by a governmental entity as part of the development approval process to fund the additional service capacity required by the development from which it is collected. The law authorizes local government entities to impose impact fees. Local governments may enact fees on behalf of local districts."

For the most part, the impact fees are to be collected when building permits are issued by the county, Guthrie said, with the monies placed into a special account and held until they were dispersed to the local district.

There are restrictions on how the collected impact fees can be used.

They can't simply replace a truck, Guthrie said, adding that, in some instances, they could be used to upgrade or expand capacity – to buy any additional apparatus required to maintain the current level of service to the district as the population grows.

They are not like taxes which can be used for any purpose, he said. An impact fee must be used for things that have a useful life span to ten years.

Automobiles and pickup trucks do not generally fall into that category, according to Guthrie, who mentioned office equipment, computers, and other fire-fighting equipment as items that would not qualify.

Though the math needed to calculate the impact fee itself was not complicated – essentially "Dollars per Development Unit," according to Guthrie, the impact fee formula used to establish a base rate took a bit of explaining.

The formula used Residential and Non-Residential Development Units; the total number of Persons per Housing Unit multiplied by the Net Capitol cost per person, and the Vehicle Trips per Development Unit multiplied by the Net Capitol Cost per Vehicle Trip. TischlerBise came up with a "Functional Population and Demand Units," and a total Cost per Demand Unit -- based on the total square foot area occupied by the existing fire stations, and all of the apparatus in the fire district.

A "Needs Analysis" was created, a "Fee Schedule," for the fire district created, and when the ciphering was finished the consulting firm determined that, including a five percent administrative fee permitted under the law, impact fees for new residential units would range between \$906.00, for an 1,100 sq foot dwelling, to \$2750.00 for a 3,300 sq foot home – with the average fee reported to be \$1993.00.

With an 82 percent share, residential dwellings will account for the majority of the revenue received through the proposed impact fees, according to the information Guthrie provided. Non-residential units will supply the remaining 18 percent.

The fees assessed for non-residential units ranged between \$.09 per sq. ft. for a mini-warehouse and \$1.50 per sq. ft. for a commercial shopping center – with nursing homes, schools, and lodging facilities determined on a cost per bed, per student, and per room basis at \$92, \$32, and \$221 respectively.

Some areas in Montana charge public schools, and some do not, Guthrie said, though all private schools are subject to the impact fees.

While the impact fees can be charged when the footprint of an existing dwelling is increased it isn't usually done, he said, adding that when a dwelling is rebuilt after being destroyed by fire, or some other disaster, the new structure is not subject to the fees.

###

Story Options

■ [Printable Story Format](#)

Trackback

Trackback URL for this entry: <http://www.clarkforkchronicle.com/trackback.php/20080402185426421>

No trackback comments for this entry.

Impact Fees 101 | 0 comments | [Create New Account](#)

Oldest First <input type="button" value="v"/>	Threaded <input type="button" value="v"/>	Refresh <input type="button" value=""/>	Post a comment <input type="button" value=""/>
---	---	---	--

The following comments are owned by whomever posted them. This site is not responsible for what they say.



Copyright © 2008 The Clark Fork Chronicle

All trademarks and copyrights on this page are owned by their respective owners.

[Top](#) | [Terms](#) | [Privacy](#)



Created this page in 0.35 seconds