

Impact fee moratorium needs to have clear limit

By Rio Rancho Observer staff

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After much research on the impact fee moratorium, no one is sure the moratorium is the reason for increased new home and business construction.

The experts (city staff and real estate experts) say there are too many factors to consider. It's still unclear what our gains will be, if any, based on the amount we'll have to pay out in the \$5.6 million lawsuit to North Curb, the Cabezon developer.

There are some long-term issues not being discussed. During the moratorium, who is absorbing the economic burden that these fees were designed to cover (i.e., the cost of water and sewer facilities, roads, parks, schools, public safety, etc.)?

Assuming the fees were rationally set and tied to the actual impact, then any reduction or failure to collect the fee from those causing the impact, places a burden on those not causing the impact. In other words, it becomes a shared burden, which is a tax. If the impact fees were reasonable in the first place, then a long-term "sale or discount" is not sustainable.

I feel like the moratorium is a hidden tax; we are all now subsidizing the developers — the impact is still real and the money must come from somewhere. An impact fee moratorium may be a good idea as a short-term stimulus to the economy, but it must have a clear limit. Albuquerque decided to simply reduce the fee — but a reduction is also a subsidy. The impact fee moratorium is a tax without representation. Haven't we heard that somewhere before — oh, yes, the Boston Tea Party of 1773, which started with a suspension of taxes (moratorium) for the British company that had large supplies of tea it could not sell in England.

That moratorium allowed the British company to undercut the American market with loads of cheap tea. The impact was that many American companies were put out of business. In essence, the American colonies were being forced to subsidize the British economy without a vote, and we all know the rest of the story.

Some have pointed to all the development-related-fees the city is collecting from inspections, plan reviews and the increase in local construction GRT as the way we are making up for the loss. This a false argument because that money would come with this amount of development anyway. The question remains, who is paying for the impact? I'd love to see development skyrocket, but who should pay for the initial impact?

The bottom line: Maintaining the moratorium shifts the impact burden from the developer to people who didn't have anything to do with the initial development. We are all subsidizing the developers. I'm concerned that the city councilors want to extend the moratorium or make it permanent; this should not be done without a popular vote. It should be the people's choice to vote "yes" or "no" on this "corporate welfare."

(Darlene Collins is a small business owner and recent candidate in the Rio Rancho city council race for District 2. She recently co-founded Citizens for a Better Rio Rancho.)