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Hall County Commission strikes deal on impact fees

After 3-2 vote, county will defer collection until a building becomes occupied

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April 30, 2011

The Hall County Board of Commissioners decided Thursday to defer impact fee collection until a certificate of occupancy is issued for a building.

After commissioners listened to a presentation on Hall County's history of impact fees and heard comments from residents, they decided to strike a compromise between placing a moratorium on impact fees through December 2012 and leaving them alone.

The change will go into effect June 1. Following a 3-2 vote, with Commissioners Craig Lutz and Scott Gibbs opposed, county staff were directed to come to the next meeting with ideas about how to make the deferral effective.

Lutz introduced the idea of halting impact fees earlier this month after hearing recommendations from the Home Builders Association of Gainesville-Hall County.

"If we really look at the impact fee program, we need to fix it. Not everyone is participating, and we have an unbalanced situation where the fees aren't going where the impact is," Lutz said Thursday. "We need a moratorium to work out the actual process."

Phyllis Mercer, a resident of the Village at Deaton Creek where construction is still active, opposed the idea of a moratorium. She suggested the deferment compromise.

"It would need strict guidelines, but it would prevent the fees from being lost while giving flexibility to the builders," she said.

Commissioners grappled with the choice as residents expressed their opinions.

Impact fees are levied by local governments on new developments to offset public costs new residents may incur.

The fees, instituted in Hall in 2003, have pulled in more than \$5 million for the county to use on certain capital purchases. Fee collection dropped drastically in 2008 and 2009 as the housing market slumped, and remained dramatically low in 2010 and so far in 2011.

"We would collect impact fees if we could sell a building first," said Clermont Mayor James Nix. "We had one permit in the last year for new home construction. There's a subdivision with 70 lots and no buildings on it, so if anything could spur some building, it would be a positive thing for the county."

Vicki Bentley, a Hall County resident who helped to start impact fees in the county, suggested commissioners do something to perk up morale.

"I know that a large part of dealing with taxes is psychological and has to do with what the people believe," she said. "I understand it would impact the income coming into the county, but saying publicly that we're going to stop collecting fees for a certain time could influence people to check out buying a new home in Hall County."

Gibbs noted that a suspension of impact fees could also spur sales of building materials.

"That could help the sales tax collection on materials such as concrete and wood, and it would go into the general operating fund," he said. "We're in a time we've never seen or experienced before. Will this be the solution? No. But it may help."

Lutz also brought forward a letter from the Flowery Branch City Council to release them from the obligation of collecting impact fees. The city sits between Oakwood and Buford, neither of which collect such fees.

"What would stop others from asking for the same? A few cities shouldn't carry the burden," Bell said. "We should rather look into collecting them from everybody."

Commissioners voted down Lutz's motion, with Bell, Chairman Tom Oliver and Commissioner Billy Powell opposed, and directed staff to investigate how Hall County's municipalities collect impact fees.

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