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Alternate impact fee payment method eyed

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To ease the financial burden of homeowners and jumpstart home buying, Business and Economic Development Committee members on Tuesday discussed alternate payment methods for impact fees. Currently, homeowners and business owners pay the impact fees up front, at the same time the permit is issued. New homebuyers in Hernando County now pay seven impact fees, imposed on developers and builders to fund capital improvements in the community.

The committee asked staff to review other counties' collection methods and report back in June. They also asked staff to explore such alternatives as paying the fees at a different time, such as at the issuance of a certificate of occupancy or as an assessment on the real estate tax bill.

For a single-family home, the cost for impact fees totals roughly \$9,200. In this economy, people aren't buying \$300,000 to \$400,000 homes anymore, Committee Chairman John Druzbeck said. So tacking on impact fees to homes in the \$100,000 range can be a big hit for homeowners, he said.

Committee members stressed they are not considering raising fees at this time.

Prepayment of impact fees can also carry hidden costs.

For example, assuming impact fees of \$10,000, most people will pay that on their 30-year mortgage. Factoring in interest, roughly three times that amount, the \$10,000 impact fee now become \$30,000 over that time period.

Lower upfront costs could make the home more attractive to potential buyers, committee members reasoned.

Committee member Laurie Pizzo told her colleagues it may be prudent to see how Senate Bill 360 plays out. That state bill, passed by the Legislature, would place a moratorium on raising impact fees until 2011.

Pizzo said she is confident Gov. Charlie Crist will sign it.

"Anything we can do to take the brunt from up front would be better," Committee member Jim Adkins said.

Adkins recently dropped plans to pursue a short-term moratorium on impact fees because he found no support from his board members.

Adkins' plan called for eliminating the fee for six months to a year. He said six other counties in Florida have already enacted moratoriums, including Putnam, Brevard, Wakulla, Bradford, Desoto and Nassau counties.

Adkins' plan didn't resonate with his colleagues when he broached it during last month's board meeting.