

# County senators plan special legislation to allow impact fees for schools

## Builders, Realtors oppose idea, particularly in slow economy

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School districts in Beaufort and Jasper counties could charge developers impact fees on new homes and apartments under bills filed in the South Carolina Senate, an idea supported by local government leaders but opposed by Realtors and home builders.

Impact fees are charged to developers -- and the cost often passed on to home buyers -- for each new home built. Their intent is to cover infrastructure costs that otherwise would be borne by all taxpayers.

Beaufort County charges impact fees to build and improve libraries, roads, parks and fire stations. However, state law forbids charging impact fees for schools.

Sen. Tom Davis, R-Beaufort, sponsor of the bill that would allow school impact fees in Beaufort County, said the measure is aimed at preparing for the next wave of population growth. His bill does not require a full vote of the legislature, only the approval of the seven-member Beaufort County delegation.

"We'll have tens of thousands of people coming into our area. They're going to be pouring in, and there's going to be a need for dozens of new schools," Davis said, adding voters will tolerate only so many school-building referendums.

Home builders, who typically have fought impact fees, are even more opposed to them now that the economy is in a recession.

"Right now is definitely not the time to go out there and start placing extra regulatory fees and barriers to people trying to purchase a home," said Ashley Feaster, executive officer of the Hilton Head Area Home Builders Association.

Scott Middleton, who owns Sabal Homes, agreed: "I sell to first-time home buyers, and any fee that's slapped on my homes becomes a detriment to my buyers."

Sabal Homes is developing Red Cedar Place in Bluffton, across from the future Red Cedar Elementary School.

"Teachers, military (personnel), health care workers, policemen and firemen -- that's my clientele," Middleton said. "I understand a lot of these people have kids who are taxing the education system, but my feeling is that we just did a bond referendum that created tens of millions of dollars to pay for schools."

Sen. Davis hasn't hashed out all the details of his proposal, but he wants "a very real debate about how we're going to be paying for things in the future."

Davis and state Sen. Clementa Pinckney, D-Ridgeland, have set up a meeting next week to hear from the public as well as from home builders and real estate professionals.

Pinckney is sponsoring a bill similar to Davis' for Jasper County. Because his district extends on to St. Helena Island, he is a member of both counties' delegation.

Davis said he has delayed a vote on his bill until getting substantial public comment.

The state Association of Realtors has long opposed local school impact fees. Last year, the group's executive director, Nick Kremydas, criticized local governments for trying "to tax those folks who are in a sense 'the goose that laid the golden egg' for our state."

Kremydas was in a conference in Washington Monday and couldn't be reached for comment.

The Realtors group supports paying for new schools through an assessment on annual tax bills rather than a one-time fee that ultimately is added to the price of a home. State Rep. Richard Chalk, R-Hilton Head Island, said he supports that plan.

Davis said he wants to hear objections to his bill from developers and real estate agents. He said he's already considering exempting nursing homes and retirement communities from the fees.

"I really am open-minded about this and sensitive to the fact that a lot of things in this area are tied to real estate development and construction," he said.

Members of the Beaufort County Council and school board, who have pushed for school impact fees in the past, praised Davis' bill.

"I'm delighted that Sen. Davis introduced this legislation and is willing to promote it," said council Chairman Weston Newton. "The alternative is you have folks coming here, building projects that require schools and taking those corporate profits and going elsewhere, leaving us here to fund all that

infrastructure."

School board member George Wilson, who represents Okatie, agreed.

"I think it's an excellent bill, and I'm very pleased that Sen. Davis is willing to take the initiative on school items."

Davis said it's not yet known how much authority the school board should have in implementing an impact fee. He said the school board's decision to move forward with construction of Whale Branch High School in northern Beaufort County could influence the public's faith in the board to spend wisely. The school has been the subject of strident debate among board members about whether it should be built.

"We're talking about trusting local officials," Davis said, "and the more they decide things in secrecy without public input, that's going to be a factor in this debate."

Davis said a bill could end up giving the school board broad autonomy to charge impact fees, but it could also give the Beaufort County Council oversight of such a fee or mandate that voters approve the fees through a referendum.