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Crist signs bills to cut impact fees, add business incentives

The Associated Press

Gov. Charlie Crist signed new laws Thursday intended to boost Florida's economy, including measures to reduce impact fees on new development and provide tax incentives for businesses to locate in low-income communities.

Crist, also a Republican candidate for the U.S. Senate, signed three of the bills in Tallahassee before flying across the state to promote the legislation in St. Augustine, Naples and Ocala, where he planned to sign a fourth bill authorizing a local enterprise zone.

"We need to do this for the people of Florida; they are struggling," Crist said. "Unemployment is up and we want it to go down."

State economists say the impact fee law (HB 227) is expected to cost city and county governments, but they are unsure exactly how much. It puts the burden on local governments to prove their fees meet all requirements of state law and legal precedents.

Impact fees are assessed on new construction to pay for new infrastructure such as drainage and roads required by development.

It's been almost impossible for developers and other property owners to win challenges against impact fees under the previous state law that directed judges to lean in favor of upholding them. The new law will make it easier to win challenges by removing that provision.

Another new law (HB 485) providing \$97.5 million in tax incentives for business investment in low-income areas is expected to create 1,600 jobs in its first year and up to 2,900 annually by its 10th year, according to a study by private economists.

The third measure, (HB 7031) gives a sales tax break to nonresidents who buy boats in Florida or bring them into the state for repairs. The same bill also expedites the process of approving economic development incentives.

The Ocala bill (HB 127) would create Florida's 57th enterprise zone. These zones offer businesses property tax credits and sales tax breaks on purchases of equipment, building materials and electrical power. Businesses also can receive tax credits for creating jobs.