

Editorial: Mandated state moratorium on impact fees would damage governments, taxpayers

Bennett's bill bogus

By TCPalm Staff

Monday, February 9, 2009

Local governments already struggling financially could be put in even greater straits if a bill proposed by a Florida state legislator is adopted.

The bill introduced by Sen. Mike Bennett, R-Bradenton, calls for a three-year moratorium on the imposition or collection of impact fees by counties or municipalities.

Bennett has claimed the temporary elimination of impact fees in SB 630 would spur much-needed development and help to stimulate the economy.

Others see the bill as a gift to developers and unlikely to have a positive effect on the economy.

Moreover, it's an irresponsible effort by at least one state official to control local government.

Impact fees are paid by builders to offset the government costs caused by new construction, such as for roads, schools, water and sewer service and law enforcement.

In a recent guest column in the Naples Daily News, Collier County Commissioner Fred Coyle said, "If there are no impact fees, there will be no infrastructure — no development, no jobs and no economic recovery."

The proposed legislation has also gotten the attention of Treasure Coast governments.

On Tuesday, the St. Lucie County County Commission will consider a resolution opposing the Bennett bill.

The resolution says the inability to impose or collect impact fees would shift the cost of development to local taxpayers and jeopardize:

- Future economic development activities due to the lack of funds to build new schools and roads.
- Repayment of loans made to fund existing capital projects.

The resolution was initiated by Commissioner Doug Coward, who noted that St. Lucie already faces a reduction in impact fees due to the poor economy. Last year, the county collected nearly \$5 million in impact fees. In the current budget year, the county has collected less than \$1 million.

Coward said the most significant impact of the Bennett bill on the Treasure Coast could be in Port St. Lucie, which has borrowed funds — to be repaid by impact fees — to build such projects as the Torrey Pines Institute for Molecular Studies.

Freshman state Rep. Adam Fetterman, D-Port St. Lucie, is concerned with the proposal.

"My philosophy in general is it's not our job in Tallahassee to tell local governments how to operate," he said. "It's our responsibility to find ways to work together. The impact fee issue is a local government issue. ..."

"As Port St. Lucie City Manager Don Cooper indicated, if this bill passes, the city would default on its bonds. On this issue, I don't think it's good public policy for a city to default on its debt."

Some Florida counties have waived some impact fees to encourage development. That could occur on the Treasure Coast, but must be carefully considered. With thousands of homes in foreclosure and built but vacant, there is no need for more. And, if more were to be built via elimination of impact fees, that would drive down the price of existing homes. That would further cripple local wealth and erode government revenue.

Cragin Mosteller, a spokesperson for the Florida Association of Counties, said, "As a rule, we believe local government should be controlled at the local level. One size fits all may not work for every county."

She said she is hopeful Bennett and his fellow legislators will take that into consideration.

Florida often bends to assist developers. This proposed legislation may help them, but could cause major problems for local governments, hamper long-range economic growth and create additional financial hardships for taxpayers.

As it exists, it's a bad bill.



© 2009 Scripps Treasure Coast Newspapers