



Impact fee legislation targets Dorchester County growth, creates controversy

The bill would allow Dorchester School District 2 to charge up to \$2,500 for every newly built home and use the money to pay for school construction and upgrades.

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Dorchester District 2 — the state's fastest growing school district — may soon gain the authority to levy impact fees on home builders.

A bill sitting on Gov. Mark Sanford's desk would allow the school to charge up to \$2,500 per every newly built home. If signed into law, the district could levy the fee and then use the money to pay for school construction or upgrades to existing schools.

But critics say the measure is an inappropriate use of "local" legislation that affects only one governmental entity, such as a school district. Passage of the legislation required only a handful of lawmakers to sign off on it.

At press time, an aide to Sanford said the governor's office was studying the legislation, including concerns about its constitutionality.

The measure is the result of a campaign promise made good by Sen. Mike Rose, R-Summerville. Exploding growth in the county is pushing the limits on the school's infrastructure, he said.

"It's real simple," Rose said. "Whoever creates the problem should pay for the problem. People here do not want to tax themselves for new people."

Rose attempted to amend the state's impact fee law to give all school districts in the state the ability to impose them. But facing stiff opposition from the real estate industry and home builders, it failed to gain traction.

Counties and municipalities can already charge impact fees to pay for services such as fire and

police protection, and sewer and water infrastructure. School districts lack that authority with the exception of one district in York County that had its right to impose impact fees grandfathered into the law.

Passing the measure specifically for Dorchester District 2 was the only way to move the legislation through the process, Rose said, adding that the school's need for capital funds is too pressing to put it off.

The district needs to build four elementary, a high school and three middle schools to adequately accommodate students, said Allyson Duke, the school district's chief financial officer. While impact fees alone won't generate enough money to pay the average \$22 million cost of an elementary school, Duke said every little bit helps.

"The schools are full, and we're constantly talking about bringing in more mobile home units," she said.

Already, the district has more than 130 units parked across the county to accommodate the students and school programs that the permanent structures could not contain.

Last year, even as the economy slowed, the district grew by 655 students.

In the previous three years, the district added more than 850 students every year, peaking at 957 new students in the 2005-2006 school year, as the housing market boomed. Before that, the district was averaging a growth rate of about 500 students per year.

But finding the money for new buildings is far from easy and always politically charged. The state has been cutting education spending, not adding to it.

Ballot referendums often fail. Voters rejected the idea of raising taxes to pay for schools the last time Dorchester District 2 sought the public's help in 2003. The district did manage to open four new schools in the last several years through a creative financing scheme that established a nonprofit to issue bonds above what the school district was allowed to allocate under state law.

Last year, however, lawmakers deleted that option from the books.

"Impact fees are not a silver bullet, not a panacea, but it is one funding source among others," Rose said. "Right now, it's non-existent for schools. And that's ludicrous."

Rose said his legislation is legally sound. State law prohibits lawmakers from writing laws pertaining to only one county or municipality, but that rule does not extend to schools, he said.

The Home Builders Association of South Carolina disagrees, and will challenge the measure in court should it become law, said Mike Nix, the organization's executive director.

"I would think everyone should be worried that this sets a bad precedent," Nix said.

For school districts in smaller counties, it would take only two lawmakers and the governor to sign off on legislation allowing them to impose the fee. The role of state lawmakers, he said, is to pass policies for the entire state.

Home builders argue that impact fees are not a good solution anyway. The cost of new schools should be spread equally among home owners, said Phillip Ford, executive vice president of the Charleston Trident Home Builders Association.

“We’ll do our share, but don’t sit here and tell me the home building industry is the only reason Dorchester County has a problem and the school district is overcrowded,” Ford said.

Earlier in the month, the organization released a study saying that new development in the Charleston region pays for itself within seven years, negating the need for impact fees.

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