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## IMPACT FEE BILL SHELVED

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RICHMOND

--A bill to change the way localities get development to pay for itself was carried over until next year, with the understanding that developers and local governments will try to work out a compromise in the interim.

The controversial bill, introduced by Sen. John Watkins, R-Chesterfield, would have eliminated cash proffers for residential development, replacing it with an increased ability to charge impact fees on development.

His bill is backed by developers and the Homebuilders Association, which agrees with Watkins that proffers are "out of control." But it was opposed by local government officials, who said it would severely strain their ability to pay for new schools and other services required by high development growth.

Those groups, along with real estate groups and some others, have been working in recent weeks to come to a compromise.

But while they made progress, they didn't get it finished by yesterday, and House Speaker Bill Howell -- who had asked that Watkins' bill be sent to his Rules Committee--wanted it held until next year so it can receive further study and work.

Watkins and all the parties working on his bill expected Howell's move and agreed with it, pledging to continue working together over the coming year to try to get a bill both sides can support.

"We acknowledge that the current system may need some tweaking," said Jim Campbell, of the Virginia Association of Counties.

Roger Wiley, of the Coalition for High-Growth Communities, said while his group doesn't oppose the concept of moving from cash proffers to impact fees, the cap on fees in the bill was problematic.

Proffers are technically voluntary payments that developers pay to localities to cover the cost of services to those new houses, like water and schools. Impact fees do essentially the same thing, but are currently

limited to road improvements.

Watkins' bill would eliminate cash proffers on residential development, but apply impact fees to emergency services and schools as well as roads. It would also allow localities to charge impact fees on "stale zoning" which is development of lots that are already zoned. Current law allows fees or proffers to be charged only on development that requires new zoning.

One thing the groups working on the bill are pushing is a one-year moratorium on localities enacting impact fee authority for roads.

Currently some localities use impact fees for road-building and some don't; those working on Watkins' bill want to amend a bill from Del. Ed Scott, R-Madison, to put into law a freeze on those localities that don't already use road impact fees. That moratorium would apply from July 1 2008 to July 1, 2009.

But lawmakers were quick to warn the interest groups that they aren't promising to support that, and that they can't compel the Senate to support it either. Howell, especially, cautioned the groups against using the terms "deal" and "compromise."

"I don't want anyone to think there's a deal here," the Stafford Republican said.

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