

Representative Glenn L. Way proposes the following substitute bill:

IMPACT FEES ACT AMENDMENTS

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Glenn L. Way

This act modifies the Impact Fees Act by amending the definition of local political subdivision to include private water companies under certain circumstances.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

11-36-102, as enacted by Chapter 11, Laws of Utah 1995, First Special Session

11-36-201, as last amended by Chapter 211, Laws of Utah 2000

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **11-36-102** is amended to read:

11-36-102. Definitions.

As used in this chapter:

(1) "Building permit fee" means the fees charged to enforce the uniform codes adopted pursuant to Title 58, Chapter 56, Uniform Building Standards Act, that are not greater than the fees indicated in the appendix to the Uniform Building Code.

(2) "Capital facilities plan" means the plan required by Section 11-36-201.

(3) "Development activity" means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land that creates additional demand and need for public facilities.

(4) "Development approval" means any written authorization from a local political subdivision that authorizes the commencement of development activity.

(5) "Enactment" means:

(a) a municipal ordinance, for municipalities;



26 (b) a county ordinance, for counties; and

27 (c) a governing board resolution, for special districts.

28 (6) "Hookup fees" means reasonable fees, not in excess of the approximate average costs
29 to the political subdivision, for services provided for and directly attributable to the connection to
30 utility services, including gas, water, sewer, power, or other municipal, county, or independent
31 special district utility services.

32 (7) (a) "Impact fee" means a payment of money imposed upon development activity as a
33 condition of development approval.

34 (b) "Impact fee" does not mean a tax, a special assessment, a building permit fee, a hookup
35 fee, a fee for project improvements, or other reasonable permit or application fee.

36 (8) (a) "Local political subdivision" means a county, a municipality, or a special district
37 created under Title 17A, Special Districts.

38 (b) "Local political subdivision" includes, for purposes of this chapter only, a private entity
39 that provides culinary water that is required to be used as a condition of development.

40 [~~(b)~~] (c) "Local political subdivision" does not mean school districts, whose impact fee
41 activity is governed by Section 53A-20-100.5.

42 (9) (a) "Project improvements" means site improvements and facilities that are:

43 (i) planned and designed to provide service for development resulting from a development
44 activity; and

45 (ii) necessary for the use and convenience of the occupants or users of development
46 resulting from a development activity.

47 (b) "Project improvements" does not mean system improvements.

48 (10) "Proportionate share" means the cost of public facility improvements that are roughly
49 proportionate and reasonably related to the service demands and needs of any development
50 activity.

51 (11) "Public facilities" means only the following capital facilities that have a life
52 expectancy of ten or more years and are owned or operated by or on behalf of a local political
53 subdivision:

54 (a) water rights and water supply, treatment, and distribution facilities;

55 (b) wastewater collection and treatment facilities;

56 (c) storm water, drainage, and flood control facilities;

57 (d) municipal power facilities;

58 (e) roadway facilities;

59 (f) parks, recreation facilities, open space, and trails; and

60 (g) public safety facilities.

61 (12) (a) "Public safety facility" means a building constructed or leased to house police, fire,
62 or other public safety entities.

63 (b) "Public safety facility" does not mean a jail, prison, or other place of involuntary
64 incarceration.

65 (13) (a) "Roadway facilities" means streets or roads that have been designated on an
66 officially adopted subdivision plat, roadway plan, or general plan of a political subdivision,
67 together with all necessary appurtenances.

68 (b) "Roadway facilities" includes associated improvements to federal or state roadways
69 only when the associated improvements:

70 (i) are necessitated by the new development; and

71 (ii) are not funded by the state or federal government.

72 (c) "Roadway facilities" does not mean federal or state roadways.

73 (14) (a) "Service area" means a geographic area designated by a local political subdivision
74 on the basis of sound planning or engineering principles in which a defined set of public facilities
75 provide service within the area.

76 (b) "Service area" may include the entire local political subdivision.

77 (15) (a) "System improvements" means:

78 (i) existing public facilities that are designed to provide services to service areas within
79 the community at large; and

80 (ii) future public facilities identified in a capital facilities plan that are intended to provide
81 services to service areas within the community at large.

82 (b) "System improvements" does not mean project improvements.

83 Section 2. Section **11-36-201** is amended to read:

84 **11-36-201. Impact fees -- Analysis -- Capital facilities plan -- Notice of plan --**

85 **Summary -- Exemptions.**

86 (1) (a) Each local political subdivision shall comply with the requirements of this chapter
87 before establishing or modifying any impact fee.

88 (b) A local political subdivision may not:

89 (i) establish any new impact fees that are not authorized by this chapter; or

90 (ii) impose or charge any other fees as a condition of development approval unless those
91 fees are a reasonable charge for the service provided.

92 (c) Notwithstanding any other requirements of this chapter, each local political subdivision
93 shall ensure that each existing impact fee that is charged for any public facility not authorized by
94 Subsection 11-36-102(11) is repealed by July 1, 1995.

95 (d) (i) Existing impact fees for public facilities authorized in Subsection 11-36-102(11)
96 that are charged by local political subdivisions need not comply with the requirements of this
97 chapter until July 1, 1997.

98 (ii) By July 1, 1997, each local political subdivision shall:

99 (A) review any impact fees in existence as of the effective date of this act, and prepare and
100 approve the analysis required by this section for each of those impact fees; and

101 (B) ensure that the impact fees comply with the requirements of this chapter.

102 (2) (a) Before imposing impact fees, each local political subdivision shall prepare a capital
103 facilities plan.

104 (b) The plan shall identify:

105 (i) demands placed upon existing public facilities by new development activity; and

106 (ii) the proposed means by which the local political subdivision will meet those demands.

107 (c) Municipalities and counties need not prepare a separate capital facilities plan if the
108 general plan required by Sections 10-9-301 and 17-27-301 contains the elements required by
109 Subsection (2)(b).

110 (d) (i) If a local political subdivision prepares an independent capital facilities plan rather
111 than including a capital facilities element in the general plan, the local political subdivision shall,
112 before adopting the capital facilities plan:

113 (A) give public notice of the plan according to this Subsection (2)(d);

114 (B) at least 14 days before the date of the public hearing:

115 (I) make a copy of the plan, together with a summary designed to be understood by a lay
116 person, available to the public; and

117 (II) place a copy of the plan and summary in each public library within the local political
118 subdivision; and

119 (C) hold a public hearing to hear public comment on the plan.

120 (ii) Municipalities shall comply with the notice and hearing requirements of, and, except
121 as provided in Subsection 11-36-401(4)(f), receive the protections of, Subsections 10-9-103(2) and
122 10-9-402(2).

123 (iii) Counties shall comply with the notice and hearing requirements of, and, except as
124 provided in Subsection 11-36-401(4)(f), receive the protections of, Subsections 17-27-103(2) and
125 17-27-402(2).

126 (iv) Special districts, and the private entities referred to in Subsection 11-36-102(8)(b)
127 shall comply with the notice and hearing requirements of, and receive the protections of, Section
128 17A-1-203.

129 (v) Nothing contained in Subsection (2)(d) or in the subsections referenced in Subsections
130 (2)(d)(ii) and (iii) may be construed to require involvement by a planning commission in the
131 capital facilities planning process.

132 (e) (i) Local political subdivisions with a population or serving a population of less than
133 5000 as of the last federal census need not comply with the capital facilities plan requirements of
134 this part, but shall ensure that the impact fees imposed by them are based upon a reasonable plan.

135 (ii) Subsection (2)(e)(i) does not apply to private entities that are included in the definition
136 of political subdivisions under Subsection 11-36-102(8)(b).

137 (3) In preparing the plan, each local political subdivision shall generally consider all
138 revenue sources, including impact fees, to finance the impacts on system improvements.

139 (4) A local political subdivision may only impose impact fees on development activities
140 when its plan for financing system improvements establishes that impact fees are necessary to
141 achieve an equitable allocation to the costs borne in the past and to be borne in the future, in
142 comparison to the benefits already received and yet to be received.

143 (5) (a) Each local political subdivision imposing impact fees shall prepare a written
144 analysis of each impact fee that:

145 (i) identifies the impact on system improvements required by the development activity;

146 (ii) demonstrates how those impacts on system improvements are reasonably related to the
147 development activity;

148 (iii) estimates the proportionate share of the costs of impacts on system improvements
149 that are reasonably related to the new development activity; and

150 (iv) based upon those factors and the requirements of this chapter, identifies how the
151 impact fee was calculated.

152 (b) In analyzing whether or not the proportionate share of the costs of public facilities are
153 reasonably related to the new development activity, the local political subdivision shall identify,
154 if applicable:

155 (i) the cost of existing public facilities;

156 (ii) the manner of financing existing public facilities, such as user charges, special
157 assessments, bonded indebtedness, general taxes, or federal grants;

158 (iii) the relative extent to which the newly developed properties and the other properties
159 in the municipality have already contributed to the cost of existing public facilities, by such means
160 as user charges, special assessments, or payment from the proceeds of general taxes;

161 (iv) the relative extent to which the newly developed properties and the other properties
162 in the municipality will contribute to the cost of existing public facilities in the future;

163 (v) the extent to which the newly developed properties are entitled to a credit because the
164 municipality is requiring their developers or owners, by contractual arrangement or otherwise, to
165 provide common facilities, inside or outside the proposed development, that have been provided
166 by the municipality and financed through general taxation or other means, apart from user charges,
167 in other parts of the municipality;

168 (vi) extraordinary costs, if any, in servicing the newly developed properties; and

169 (vii) the time-price differential inherent in fair comparisons of amounts paid at different
170 times.

171 (c) Each local political subdivision that prepares a written analysis under this Subsection
172 (5) on or after July 1, 2000 shall also prepare a summary of the written analysis, designed to be
173 understood by a lay person.

174 (6) Each local political subdivision that adopts an impact fee enactment under Section
175 11-36-202 on or after July 1, 2000 shall, at least 14 days before adopting the enactment, submit
176 to each public library within the local political subdivision:

177 (a) a copy of the written analysis required by Subsection (5)(a); and

178 (b) a copy of the summary required by Subsection (5)(c).

179 (7) Nothing in this chapter may be construed to repeal or otherwise eliminate any impact
180 fee in effect on the effective date of this act that is pledged as a source of revenues to pay bonded

181 indebtedness that was incurred before the effective date of this act.