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Utilizing Recent Legislation to Cover Fire Costs in Growing Communities

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Where Did This All Start?

The Background and How We Got Here



Fire Protection District Impact Fees

- · Fire Districts were falling behind in high growth areas.
- Revenue from property tax was 13 18 months behind the service demands from development.
- Originally intended to protect existing taxpayers from paying for services.
- There was general consensus that new development should pay its way.

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HB-16-1088

- Originally Amended Title 32
 - Came very close to dying in committee
- Ultimately Amended both Title 29 and 32
 - Created additional requirements similar to other Local Governments.
- Input From Counties Ultimately Required FD's and Local Governments to "Confer"
 - Gives Counties or Towns the ability to oppose the fee amount.
- Ultimately was signed into law June of 2016

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The Good

- Additional revenue could help FPD's keep up with the growing pace of their community.
- Might require FPD's to be more detailed in their bookkeeping.
- Allows new development to pay its way, protecting existing citizens from decreases in service.



...And the not so good

- Could stall economic development in areas that rely on growth
- · Very restrictive
- · Cannot fund operational needs
- Requires additional administrative resources.



Statutory Facts

- Requires a "Rational Nexus" to Quantify
- Requires an Intergovernmental Agreement between FPD and Local Government.
- Typically Tied to "Development Permit"
- Can only be used for Capital Facilities



What is a Rational Nexus

- A study to determine the cost to provide services.
- Typically performed by a 3rd party vendor.
- · Two methods to calculate the fee.
 - Capital buy in method
 - Plan based methodology



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Title 29

 "Development permit" means any preliminary or final approval of an application for rezoning, planned unit development, conditional or special use permit, subdivision, development or site plan, or similar application for new construction; except that, solely for purposes of part 3 of this article:



Development Permit

 (a) Each application included in the definition of development permit constitutes a stage in the development permit approval process; and



Development Permit

• (b) "Development permit" is limited to an application regarding a specific project that includes new water use in an amount more than that used by fifty single-family equivalents, or fewer as determined by the local government.



Development Permit

- (1.5) "Local government" means a county, home rule or statutory city, town, territorial charter city, or city and county.
- (2) "Power authority" means an authority created pursuant to section 29-1-204.



Development Permit

- Impact fees do not apply to previous approved development permit.
- Fees can not be collected before issuance of approval of development permit
- No restrictions about collection at building permit or certificate of occupancy.



Intergovernmental Agreement

- The bill requires the local governments to confer...with the developer, to determine if the fee is appropriate.
- The Local Government decides if the fee is appropriate.
- Determines who is responsible for payment, collection, etc.
- Separate IGA for each local government



What Are Capital Facilities?

•Any Improvement or Facility That:

- Is directly related to any service that a Local Government is authorized to provide
- Has an estimated useful life of five years or longer
- Is required by the charter or general policy of a local government pursuant to a resolution or ordinance.



Spending Impact Fees

Not Allowed
Standard Maintenance and Repairs
Improvements to facilities , implementation of new programs or services
Operational Expenses , salaries, benefits, fuel, electric bills

Where do we go from here?

- · Early discussions about the intent to charge impact fees
- · Stakeholders who should be involved
- · Adapt the IGA to make it work for both organizations.



IGA

- Collection of Money
- Impact Fee
- Developers Agreement (Impact Fee Form)
- · Associated Documents



Collection of Money

- Who verifies that the impact fee is paid?
 - Finance Director (Municipality)
 - Finance Director (Fire District)
 - Building Department



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Associated Documents Rational Nexus Study Plat map	
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