



# Chatham County, NC

## Legislation Text

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**File #:** 17-2111, **Version:** 1

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Vote to Approve a Resolution Opposing House Bill 436 (Elimination of Local Government Impact Fees That Fund Infrastructure Needs)

Action Requested: Vote to approve the proposed resolution which opposes North Carolina House Bill 436, which would immediately repeal all local government impact fees levied on new development to pay for schools, water and other infrastructure needs.

Introduction & Background: On March 22, 2017, NC State Representative Sarah Stevens from Surry County introduced House Bill 436 to repeal all local government impact fees. A total of 22 local governments currently have this authority, including three counties (Chatham, Catawba and Orange).

The bill would immediately remove this revenue source, even though most of the revenues have already been budgeted for current or planned facilities through capital planning.

### Discussion & Analysis:

In Chatham County, the key impacts would be:

- \$4.5 million in lost **annual revenue**, including \$2.8 million for schools and \$1.7 million for water system
- The lost revenue represents 4.7 cents on the property tax rate
- Much of these revenues are already budgeted through our Capital Improvement Plan to pay down debt on school projects.
- We would be put in the difficult position of major property tax increase and/or cuts in necessary services at a time that demands for services are on the rise.
- The water impact fees are set aside to pay Chatham County's share of a future regional water plant on the west side of Jordan Lake. Our share is estimated at \$70-\$80 million. Without the water impact fee revenues, a huge burden would be placed on property owners.
- The result is to shift the cost burden of facility needs to all property owners, regardless of their income.

Budgetary Impact: \$4.5 million reduction in annual revenue for school and water facilities

### Recommendation:

Vote to approve the resolution, which will be sent to Governor Cooper, Speaker of the House, Senate Leadership, Key Committee Chairs, our legislative delegation, Triangle J Council of Governments and NC Association of County Commissioners.