

# Impact Fees Fact Sheet



## **What are impact fees?**

Impact fees are one-time fees assessed on new construction to offset the cost of roads, drainage, and other capital needs directly related to parish growth. In January 2005, the Parish Council adopted the policy of imposing mandatory impact fees. Impact fees are paid by developers when new subdivisions, strip malls, big box stores and other new residential and commercial development are built. The purpose of the fees is to offset the strain that this new growth puts on our roads and drainage.

## **Why does the parish collect impact fees?**

Our population is growing faster than we can build the related infrastructure, especially roads and drainage. Impact fees are assessed on all new construction that will impact our infrastructure.

## **What did the parish collect before 2005?**

The Parish collected voluntary impact fees on residential building, beginning in 1992, up to \$1,000 for standard lots and \$3,000 for sub-standard lots. Commercial building generally didn't pay any impact fees. The Parish Council wanted to implement a fair and balanced approach to impact fees that would distribute the responsibility for new roads and drainage equitably between commercial and residential building. The new fees are proportional to the size of the development.

## **What can the parish use the impact fees to fund?**

Money generated by the fees is held in separate accounts and can only be used for capital projects that the Parish Council will decide upon annually. Impact fee revenue cannot be used to operate parish government, pay salaries, or improve or maintain existing roads. The funds can only be used for new roads and new drainage improvements.

## **In what cases do impact fees not apply?**

The following improvements do not pay impact fees:

1. Alterations, renovations, or expansions where no additional traffic is created
2. Accessory buildings or structures where no additional traffic is created
3. Replacement of a destroyed or partially destroyed building where no additional traffic is created (including the replacement of an old mobile home)
4. Any development where a building permit was issued, conditional use granted, or subdivision approval granted, prior to January 1, 2005 (existing subdivisions)
5. Structures association with agricultural uses

**What if the impact fee creates a financial hardship on an individual citizen?**

Some individuals can be granted a waiver of the impact fees if they can demonstrate an income level of “Very Low Income,” based on the criteria of the U.S. Department of Housing and Urban Development. Example: A four member family with an annual income of less than \$25,500 is eligible for the waiver.