



March 9, 2024

SUMMARY OF BILL: Clarifies that the preemption on local governments enacting new or additional development taxes after June 20, 2006, under the *County Powers Relief Act* (CPRA) applies only to residential development.

FISCAL IMPACT:

Other Fiscal Impact – A precise, permissive increase in local revenue cannot be estimated with certainty.

Assumptions:

- Pursuant to the CPRA:
 - Certain counties and metropolitan governments may levy a privilege tax on persons and entities engaged in the residential development of property in order to defray the cost of providing school facilities; the taxes are commonly known as adequate facilities taxes (AFTs);
 - After June 20, 2006, no county is authorized to enact a new impact fee on development by private or public act;
 - The CPRA is the exclusive authority for local governments to adopt any new or additional AFTs on development; and
 - A county levying a development tax or impact fee by private act on June 20, 2006 is prohibited from simultaneously using the authority provided in the CPRA.
- The proposed legislation clarifies that the above provisions apply only to residential development and provides that the CPRA does not prohibit a local government from exercising any authority to levy or collect a development tax other than a residential development tax granted by a private act that was in effect prior to June 20, 2006.
- Therefore, local governments would be authorized to levy development taxes or impact fees on commercial development within their jurisdictions.
- To the extent that local governments levy additional taxes or fees on commercial development, there may be a significant increase in local revenue.
- Any increase in local revenue will depend on multiple unknowns, such as: which local governments will levy a development tax or fee, the rate of such tax or fee, and the amount of commercial development those jurisdictions will experience.
- A precise, permissive increase in local revenue cannot be estimated with certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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