

2021 Fla. Sess. Law Serv. Ch. 2021-63 (C.S.C.S.C.S.H.B. 337) (WEST)

FLORIDA 2021 SESSION LAW SERVICE

Twenty-Seventh Legislature, First Regular Session

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~~Text~~.

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Chapter 2021-63
C.S.C.S.C.S.H.B. No. 337

An act relating to impact fees; amending s. 163.31801, F.S.; defining the terms “infrastructure” and “public facilities”; requiring local governments and special districts to credit against the collection of impact fees any contribution related to public facilities or infrastructure; providing conditions under which credits may not be applied; providing limitations on impact fee increases; providing for retroactive operation; requiring specified entities to submit an affidavit attesting that impact fees were appropriately collected and expended; providing that impact fee credits are assignable and transferable regardless of when they the credits were established; requiring school districts to report specified information regarding impact fees; providing a directive to the Division of Law Revision; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 163.31801, Florida Statutes, is amended to read:

<< FL ST § 163.31801 >>

163.31801. Impact fees; short title; intent; minimum requirements; audits; challenges

- (1) This section may be cited as the “Florida Impact Fee Act.”
- (2) The Legislature finds that impact fees are an important source of revenue for a local government to use in funding the infrastructure necessitated by new growth. The Legislature further finds that impact fees are an outgrowth of the home rule power of a local government to provide certain services within its jurisdiction. Due to the growth of impact fee collections and local governments' reliance on impact fees, it is the intent of the Legislature to ensure that, when a county or municipality adopts an impact fee by ordinance or a special district adopts an impact fee by resolution, the governing authority complies with this section.

(3) For purposes of this section, the term:

(a) “Infrastructure” means a fixed capital expenditure or fixed capital outlay, excluding the cost of repairs or maintenance, associated with the construction, reconstruction, or improvement of public facilities that have a life expectancy of at least 5 years; related land acquisition, land improvement, design, engineering, and permitting costs; and other related construction costs required to bring the public facility into service. The term also includes a fire department vehicle, an emergency medical service vehicle, a sheriff's office vehicle, a police department vehicle, a school bus as defined in s. 1006.25, and the equipment necessary to outfit the vehicle or bus for its official use. For independent special fire control districts, the term includes new facilities as defined in s. 191.009(4).

(b) **“Public facilities” has the same meaning as in s. 163.3164 and includes emergency medical, fire, and law enforcement facilities.**

(4)(3) At a minimum, **each local government that adopts and collects an impact fee by ordinance and each special district that adopts, collects, and administers an impact fee by resolution must** ~~an impact fee adopted by ordinance of a county or municipality or by resolution of a special district must satisfy all of the following conditions :~~

- (a) **Ensure that** the calculation of the impact fee ~~is must be~~ based on the most recent and localized data.
- (b) ~~The local government must~~ Provide for accounting and reporting of impact fee collections and expenditures ~~and. If a local governmental entity imposes an impact fee to address its infrastructure needs, the entity must~~ account for the revenues and expenditures of such impact fee in a separate accounting fund.
- (c) **Limit** administrative charges for the collection of impact fees ~~must be limited~~ to actual costs.
- (d) ~~The local government must~~ Provide notice **at least not less than** 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee. A **local government** ~~county or municipality~~ is not required to wait 90 days to decrease, suspend, or eliminate an impact fee. Unless the result is to reduce the total mitigation costs or impact fees imposed on an applicant, new or increased impact fees may not apply to current or pending permit applications submitted before the effective date of ~~an ordinance or resolution imposing~~ a new or increased impact fee.
- (e) **Ensure that** collection of the impact fee may not be required to occur earlier than the date of issuance of the building permit for the property that is subject to the fee.
- (f) **Ensure that** the impact fee ~~is must be~~ proportional and reasonably connected to, or ~~has have~~ a rational nexus with, the need for additional capital facilities and the increased impact generated by the new residential or commercial construction.
- (g) **Ensure that** the impact fee ~~is must be~~ proportional and reasonably connected to, or ~~has have~~ a rational nexus with, the expenditures of the funds collected and the benefits accruing to the new residential or nonresidential construction.
- (h) ~~The local government must~~ Specifically earmark funds collected under the impact fee for use in acquiring, constructing, or improving capital facilities to benefit new users.
- (i) **Ensure that** revenues generated by the impact fee ~~are may not be~~ used, in whole or in part, to pay existing debt or for previously approved projects unless the expenditure is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential or nonresidential construction.

(5)(a)(4) Notwithstanding any charter provision, comprehensive plan policy, ordinance, **development order, development permit,** or resolution, the local government **or special district** must credit against the collection of the impact fee any contribution, whether identified in a proportionate share agreement or other form of exaction, related to public ~~education~~ facilities **or infrastructure**, including land dedication, site planning and design, or construction. Any contribution must be applied **on a dollar-for-dollar basis at fair market value** to reduce any ~~education-based~~ **impact fee collected for the general category or class of public facilities or infrastructure for which the contribution was made** ~~fees on a dollar-for-dollar basis at fair market value~~ .

(b) If a local government or special district does not charge and collect an impact fee for the general category or class of public facilities or infrastructure contributed, a credit may not be applied under paragraph (a).

~~(6)(5)~~ A local government, school district, or special district may increase an impact fee only as provided in this subsection.

(a) An impact fee may be increased only pursuant to a plan for the imposition, collection, and use of the increased impact fees which complies with this section.

(b) An increase to a current impact fee rate of not more than 25 percent of the current rate must be implemented in two equal annual increments beginning with the date on which the increased fee is adopted.

(c) An increase to a current impact fee rate which exceeds 25 percent but is not more than 50 percent of the current rate must be implemented in four equal installments beginning with the date the increased fee is adopted.

(d) An impact fee increase may not exceed 50 percent of the current impact fee rate.

(e) An impact fee may not be increased more than once every 4 years.

(f) An impact fee may not be increased retroactively for a previous or current fiscal or calendar year.

(g) A local government, school district, or special district may increase an impact fee rate beyond the phase-in limitations established under paragraph (b), paragraph (c), paragraph (d), or paragraph (e) by establishing the need for such increase in full compliance with the requirements of subsection (4), provided the following criteria are met:

1. A demonstrated need study justifying any increase in excess of those authorized in paragraph (b), paragraph (c), paragraph (d), or paragraph (e) has been completed within the 12 months before the adoption of the impact fee increase and expressly demonstrates the extraordinary circumstances necessitating the need to exceed the phase-in limitations.

2. The local government jurisdiction has held not less than two publicly noticed workshops dedicated to the extraordinary circumstances necessitating the need to exceed the phase-in limitations set forth in paragraph (b), paragraph (c), paragraph (d), or paragraph (e).

3. The impact fee increase ordinance is approved by at least a two-thirds vote of the governing body.

(h) This subsection operates retroactively to January 1, 2021.

(7) If an impact fee is increased ~~a local government increases its impact fee rates~~, the holder of any impact fee credits, whether such credits are granted under s. 163.3180, s. 380.06, or otherwise, which were in existence before the increase, is entitled to the full benefit of the intensity or density prepaid by the credit balance as of the date it was first established. ~~This subsection shall operate prospectively and not retrospectively.~~

~~(8)(6)~~ A local government, school district, or special district must submit with its annual financial report required under s. 218.32 or its financial audit report required under s. 218.39 a separate affidavit signed by its chief financial officer or, if there is no chief financial officer, its executive officer attesting, to the

best of his or her knowledge, that all impact fees were collected and expended by the local government, school district, or special district, or were collected and expended on its behalf, in full compliance with the spending period provision in the local ordinance or resolution, and that funds expended from each impact fee account were used only to acquire, construct, or improve specific infrastructure needs ~~Audits of financial statements of local governmental entities and district school boards which are performed by a certified public accountant pursuant to s. 218.39 and submitted to the Auditor General must include an affidavit signed by the chief financial officer of the local governmental entity or district school board stating that the local governmental entity or district school board has complied with this section .~~

(9)(7) In any action challenging an impact fee or the government's failure to provide required dollar-for-dollar credits for the payment of impact fees as provided in s. 163.3180(6)(h)2.b., the government has the burden of proving by a preponderance of the evidence that the imposition or amount of the fee or credit meets the requirements of state legal precedent and this section. The court may not use a deferential standard for the benefit of the government.

(10)(8) Impact fee credits are assignable and transferable at any time after establishment from one development or parcel to any other that is within the same impact fee zone or impact fee district or that is within an adjoining impact fee zone or impact fee district within the same local government jurisdiction and **which** receives benefits from the improvement or contribution that generated the credits. **This subsection applies to all impact fee credits regardless of whether the credits were established before or after the effective date of this act.**

(11)(9) A county, municipality, or special district may provide an exception or waiver for an impact fee for the development or construction of housing that is affordable, as defined in s. 420.9071. If a county, municipality, or special district provides such an exception or waiver, it is not required to use any revenues to offset the impact.

(12)(10) This section does not apply to water and sewer connection fees.

(13)(11) In addition to the items that must be reported in the annual financial reports under s. 218.32, a **local government, school district** ~~county, municipality~~ , or special district must report all of the following **information data** on all impact fees charged:

(a) The specific purpose of the impact fee, including the specific infrastructure needs to be met, including, but not limited to, transportation, parks, water, sewer, and schools.

(b) The impact fee schedule policy describing the method of calculating impact fees, such as flat fees, tiered scales based on number of bedrooms, or tiered scales based on square footage.

(c) The amount assessed for each purpose and for each type of dwelling.

(d) The total amount of impact fees charged by type of dwelling.

(e) Each exception and waiver provided for construction or development of housing that is affordable.

Section 2. The Division of Law Revision is directed to replace the phrase “the effective date of this act” wherever it occurs in this act with the date the act becomes a law.

Section 3. This act shall take effect upon becoming a law.

Approved by the Governor June 4, 2021.

Filed in Office Secretary of State June 4, 2021.

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