



CITY OF JONESBORO

December 12, 2023

Councilmembers,

Please find below all of the pertinent information regarding Impact Fees.

“Impact fees are payments required by local governments of new development for the purpose of providing new or expanded public capital facilities required to serve that development. The fees typically require cash payments in advance of the completion of development, are based on a methodology and calculation derived from the cost of the facility and the nature and size of the development, and are used to finance improvements offsite of, but to the benefit of the development” (“APA Policy Guide”, 1997).

Developers pay a one-time fee to pay for the increased burden on local services

The main goal of impact fees is to shift the cost of providing services to new developments to those who benefit from the development as opposed to the general taxpayer

Impact fee may be used to finance new infrastructure for Parks, Roads, Sewer Facilities, Water Facilities, Libraries, and Schools.

“Local governments are not allowed to spend revenue from impact fees on anything other than what the fees are slated for” (Impact Fees: What they are”, 2012)

RESTRICTIONS

“Impact fees can only be used to finance capital infrastructure and cannot be used to finance ongoing operations and/or maintenance and rehabilitation costs”

“Impact fees cannot be deposited in the local government’s General Fund: the funds must be accounted for separately in individual accounts and earmarked for the capital expenses for which they were collected”

“Impact fees cannot be used to correct the deficiency for all current residents and businesses in the community”