



IMPACT FEE FACT SHEET

What are impact fees?

Impact fees are one-time fees assessed on new and additional construction to offset the cost of capital improvements within the community, which are created by, and needed to service the new development. Impact Fees are one of the most widely used growth management tools nationally, especially to cover some of the infrastructure costs for growth. Although impact fees rarely are sufficient to cover the actual capital costs of new residential construction, they at least reduce the amount of the burden that is shifted to existing residents by paying for infrastructure with bonds that are repaid through the property tax.

Does everyone have to pay impact fees?

No. Impact fees are only applied to building permits associated with new construction of residential dwellings, including mobile homes, and businesses (or an increase in square footage of existing businesses) in the County.

In what cases do impact fees *not* apply?

- Alterations, renovations, additions, or expansions of existing residential property where no new impact is added to County services.
- Alterations or renovations of existing commercial businesses that do not increase floor space or change the commercial usage to one that would result in a higher impact on County services.
- Accessory buildings or structures (i.e. garages, sheds, storage buildings) where no new impact is added to County services.
- Replacement of existing residential unit, or mobile home on the same lot. The mobile home must be replaced within 6 months to avoid fee.
- Replacement of existing commercial building on the same lot provided that there is no increase in floor space or change in commercial usage to one that would place higher impact on County services.
- Replacement of destroyed homes (including mobile homes) or buildings that do not generate new impacts on County services. Mobile homes must be replaced, or construction of a new home must begin within 6 months to avoid fee.
- Replacement of destroyed businesses if rebuilding the same amount of floor space that was destroyed by fire or other catastrophe (impact fees *would* be applicable to construction of any additional commercial square footage or change in commercial usage to one that would place higher impact on County services).

How does the County determine the amount of impact fees due per project?

Residential impact fees are fixed amounts that are not influenced by the dwelling size. Non-residential or commercial uses are calculated on a square foot basis. Guidelines contained within the SC State Code define how impact fees must be levied.



What will impact fee revenue be used for by the County?

The eligible services for which Georgetown County has enacted new impact fees are: Library, Law Enforcement, Roads, and Recreation. Money generated by impact fees is held in separate accounts and can only be used for new capital improvements or infrastructure. Impact fee revenue cannot be used to operate County government, or solve pre-existing problems. The existing tax base will continue to fund existing infrastructure and/or necessary improvements.

How do I know impact fees accurately reflect the cost of growth on County services? How are fees calculated?

Georgetown County employed a nationally recognized consulting firm and legal counsel specializing in the implementation and calculation of impact fees in order to ensure accuracy and compliance with SC State Code. Impact fees for each section of the County are based on the calculated costs to provide the level of services needed as outlined in various professional studies.

How often will the County review the fees to determine if they are still applicable? Is there a time limit as to how long impact fees will be collected?

The calculations are reviewed annually to ensure cost projections and calculated fee amounts remain current. By law, the County is required to review the fees every 5 years in conjunction with the Comprehensive Plan. The current impact fee ordinance expires in 15 years.

If growth does not occur in my area, will projects capital improvements proposed for my area be delayed?

Not necessarily. Impact fees are only a portion of funding for these projects. Projects could still move ahead due to grants or other funding sources becoming available.

If I am building within a municipality (i.e. City of Georgetown, Town of Andrews, or Town of Pawleys Island) that is not participating in the collection of development impact fees, will I be denied access to new facilities that will be built using impact fee revenues?

This issue of fairness may be addressed in various ways. Facilities funded by impact fees will not be constructed within the cities not participating. People living inside cities may, however, be contributing to the project's funding by other means such as applying taxes to pay for bonds. It is possible that people living inside cities that utilize impact fee related projects located outside the city may be charged a user fee. Policies will have to be developed to assure equity and fairness.

How are impact fees charged in relation to development of new mobile home parks?

Payment of impact fees related to the development of a new mobile home park is triggered by the physical placement of the mobile home within the park. If the owner of the park applies for a mobile home permit and places the unit in the park, he will pay the impact fee. If a person rents a space from the owner of the park, applies for the mobile home permit and places the unit in the park, the renter of the space will pay the impact fee.



How soon after I pay the impact fee and obtain a building permit must I begin construction? Is there a time limit on completion of the structure from when the impact fee is paid?

The impact fees must be paid before a building permit is issued. Construction must begin within 6 months of obtaining a building permit. There is no time limit regarding completion of a structure as long as construction activity does not lapse from longer than six months.

Are there any provisions or circumstances to waive impact fees?

A waiver of impact fees can be granted to those families who can demonstrate a low-income level and meeting the criteria of earning less than 80% of the County's median income level. Dwellings designated for affordable housing will be covered by the relief granted for families earning less than 80% of the County's median income. Applications for fee waivers are available at the County Building Department.

When do impact fees have to be paid?

The County collects impact fees at the time a new building permit is issued for applicable construction projects.

When will the County begin charging Impact Fees?

Impact Fees will begin as of June 1, 2009.

For additional information regarding development impact fees, contact Boyd Johnson, Director of Georgetown County Planning Department at 545-3058