

Section 23

Impact Fees, 2005

The *Code of Virginia* § 15.2-2319 authorizes any locality, by ordinance, to assess and impose impact fees on new developments to pay **all or part of the cost of reasonable road improvements attributable in substantial part to such development**. Costs include, in addition to all labor, materials, machinery and equipment for construction, (i) acquisition of land, rights-of-way, property rights, easements and interests, including the costs of moving or relocating utilities; (ii) demolition or removal of any structure on land so acquired, including acquisition of land to which such structure may be moved; (iii) survey, engineering, and architectural expenses; (iv) legal, administrative, and other related expenses; and (v) interest charges and other financing costs if impact fees are used for the payment of principal and interest on bonds, notes or other obligations issued by the county, city, or town to finance the road improvements (§ 15.2-2318).

Section 15.2-2323 specifies that the impact fee must be determined prior to or at the time when the site is approved. The ordinance may specify that the payment of fees may be in one lump sum or through installments at a reasonable rate of interest for a fixed number of years. No impact fee may be levied upon a developer who, prior to the adoption of the ordinance, has proffered conditions pursuant to § 15.2-2298 or § 15.2-2303 for off-site road improvements and such proffered conditions have been accepted by the locality.

In 2005, only two localities reported impact fees. The City of Danville imposed a variable fee for the cost of putting in roads. The County of Stafford imposed an impact fee that averaged \$1,200 per housing unit. Because of the small number of respondents, no table is provided for this section.

