

Section 23

Impact Fees for Roads, 2007

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.

The 2007 transportation funding bill authorized any locality to impose additional impact fees if it had an established urban transportation service district and if it adopted an impact fee ordinance pursuant to the bill by the end of 2008.

Table 23.1 lists the six localities that reported impact fees. The City of Danville imposed a variable fee for the cost of putting in roads.



Table 23.1
Impact Fees For Road Improvement, 2007

Locality	Impact Fee on Developers (\$)
Cities (Note: All cities responded to the survey. Those that answered "not applicable" for the item in this table are excluded.)	
Danville	Varies ^a
Newport News	\$7,815/unit
Counties (Note: All counties responded to the survey. Those that answered "not applicable" for the item are excluded.)	
Henry	\$815/residential unit
Powhatan	\$7236/residential unit
Stafford	Average of \$1,200/house
Warren	Ranges from \$1,000 to \$2,500
Towns (Note: No towns that responded reported having an impact fee. For a listing of town respondents and non-respondents, see Appendix B.)	

^a Danville charges a variable fee to developers to put in the roads. If the building of the roads costs less than the fee they charged Danville will reimburse the locality for the difference. The reimbursement only occurs once revenues from taxes on the development exceed the taxes from the land in its previous use.