

HOUSE BILL NO. 737
INTRODUCED BY D. GALLIK

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A COUNTY, CITY, OR TOWN TO IMPOSE DEVELOPMENT IMPACT FEES FOR THE PURPOSE OF PROVIDING THE INFRASTRUCTURE NECESSARY TO SUPPORT THE DEVELOPMENT FOR WHICH THE FEES ARE IMPOSED; AUTHORIZING A COUNTY, CITY, OR TOWN TO IMPOSE DEVELOPMENT IMPACT FEES FOR SPECIAL SERVICE DISTRICTS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Purpose -- authorization of impact fees.** (1) The legislature finds that an adequate and equitable program for planning and financing public facilities needed to serve new growth and development is necessary in order to promote and accommodate orderly growth and development and to protect the public health, safety, and welfare of the citizens of the state. It is the purpose of this section to:

- (a) ensure that adequate public facilities are available to serve new growth and development;
- (b) promote orderly growth and development by establishing a mechanism by which counties, cities, and towns may require that those who benefit from new growth and development pay a proportionate share of the cost of new public facilities needed to serve the new growth and development;
- (c) establish minimum standards for the adoption of development impact fee ordinances and resolutions by counties, cities, and towns consistent with best practices and applicable court rulings;
- (d) reduce duplicate and ad hoc development requirements and the difficulties and costs associated with those requirements;
- (e) support the provision of affordable housing by:
 - (i) increasing predictability in development review;
 - (ii) ensuring the cost-effective provision of infrastructure; and
 - (iii) reducing private risk; and
- (f) support and require fiscal responsibility by creating a mechanism for the responsible and cost-effective provision of infrastructure, while avoiding the high tax costs and negative effects of local government debt and recognizing the reduction in federal financial support for local services.

- (2) A county, city, or town may impose development impact fees. The fees must be imposed for the

purpose of providing the infrastructure necessary to support the development for which the fees are imposed. A county, city, or town may impose development impact fees for a special service district.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 7, chapter 6, and the provisions of Title 7, chapter 6, apply to [section 1].

NEW SECTION. **Section 3. Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

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