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# Impact Fee

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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# Impact Fee

## Private Acts of 1987 Chapter 120

WHEREAS, the orderly growth patterns within Williamson County are essential to the welfare of the county and its citizens; and

WHEREAS, tremendous growth in construction of houses, condominiums, apartments, and businesses is occurring in many areas of the state and the construction of new residences and businesses and the expansion of existing businesses has created and imposes severe financial pressure on Williamson County to provide urban type services, such as water, sewage, drainage, parks and roads; and

WHEREAS, Williamson County in spite of its geographic advantage and its recent entry into the business of providing urban type services, is not equipped, either fiscally or administratively, to be responsive to the pace of growth; and

WHEREAS, in order to protect the public health, safety, and general welfare of the citizens and residents of Williamson County, it is necessary that an additional method of financing public improvements for urban type services be granted and that Williamson County be authorized to levy impact fees upon new developments, with the fees collected and earmarked for the funding of such services necessitated by the new development; now, therefore:

**SECTION 1.** This chapter shall be known and cited as "Williamson County Construction Impact Fee Act".

**SECTION 2.** As used in this Act, unless a different meaning appears from the context:

(a) "Governmental entity" means Williamson County.

(b) "Governing body" means the county legislative governing body of Williamson County.

(c) "Capital or public improvements" means the construction, reconstruction, building, replacement, extension, enlargement, or repair of any street, road, alley, sidewalk, gutter, and other similar improvements; schools; parks and playgrounds; waterworks, water distribution systems, sewers, sewerage, storm water or drainage system authorized by the governing body; and includes any one (1) or more or any combination of these public improvements.

(d) "Developer" means the person, corporation, partnership, or other entity responsible for any new land development.

**SECTION 3.** It is the intent and purpose of this Act to grant to the governing body of Williamson County the authority to establish a regulatory procedure or system to collect fees from the developer of any new land development activity so as to require the developer to share in the burdens of growth by paying his pro rata share for the reasonably anticipated expansion cost of public improvements generated by the new land development activity.

**SECTION 4.** Williamson County may perform or order the construction, reconstruction, building, replacement, extension, enlargement, or repair of any capital or public improvement and provide for the payment of the cost of any such public improvements by levying and collecting an impact fee on new land development.

**SECTION 5.** When the governing body of Williamson County determines to make any public improvement authorized by this Act and defray the expense thereof by an impact fee, the governing body shall adopt a resolution to so declare by stating the nature of the proposed public improvement. The resolution shall establish the portion of expense thereof to be paid by the impact fee, the manner in which the impact fee shall be made, and when the impact fees are to be paid. The governing body shall establish an impact fee formula that requires the developer to pay an impact fee that does not exceed a pro rata share of the reasonably anticipated cost for the public improvements created by the new land development activity.

**SECTION 6.** The governing body shall provide a schedule and method for the payment of the fees in a manner appropriate to the particular circumstances of the proposed new development. The resolution may not require the payment of an impact fee before a building permit is issued. The governing body shall require security ensuring payment of the fees subsequent to the issuance of a building permit. The security may be in the form of a cash bond, security bond, an irrevocable letter of credit, or a lien or mortgage on the lands to be covered by the building permit.

**SECTION 7.** The fee established in this Act shall be collected at the time of application for a building permit for development as herein defined or, if a building permit is not required, at the time of application for a certificate of occupancy by the county or city official duly authorized in such jurisdiction to issue building permits or certificates of occupancy. If the fee is

collected by the county, the county building official or other responsible official shall receive payment in full in cash or other negotiable instrument as specified by resolution of the county and as approved by the county attorney. If the fee is collected by a city, the city shall, before issuance of the building permit or certificate of occupancy, receive payment in cash or by a negotiable instrument payable to the county and subject to the approval of the county attorney in the full amount of the fee due. On the last business day of each week the city shall transfer such cash and negotiable instruments to the county collector. No building permit for development as herein defined, or certificate of occupancy if no building permit is required, shall be issued in Williamson County unless the fee has been paid in full to the county or a negotiable instrument approved by the county attorney and payable to the county has been received.

**SECTION 8.** The impact fees collected by Williamson County pursuant to this Act shall be kept in a separate fund from other revenue of the governmental entity. Funds collected by impact fees shall be used for the acquisition, expansion, and development of the capital or public improvements for which they were collected and shall be withdrawn and expended as may be designated by resolution of the governing body.

**SECTION 9.** The provisions of this Act shall in no manner repeal, modify, or interfere with the operation of any general abutting property law or any special or local assessment or abutting property law enacted for the benefit of Williamson County. This Act shall be deemed to create an additional and alternative method for Williamson County to collect fees for the purpose of defraying the costs of capital or public improvements.

**SECTION 10.** If any word, phrase, sentence, paragraph, or other provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other word, phrase, paragraph, or other provision or application of this Act which can be given effect without the invalid provision or application, and to that end the provisions of this Act are declared to be severable.

**SECTION 11.** This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Williamson County before October 1, 1987. Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body and certified by him to the Secretary of State.

**SECTION 12.** For the purpose of approving or rejecting the provisions of this Act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 11.

Passed: May 7, 1987.

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