

BEWARE OF RISING “IMPACT” FEES

An impact fee is a fee that is imposed by a local government within the United States on a new or proposed development project to pay for all or a portion of the costs of providing public services to the new development. Impact fees are considered to be a charge on new development to help fund and pay for the construction or needed expansion of offsite capital improvements. These fees are usually implemented to help reduce the economic burden on local jurisdictions that are trying to deal with population growth within the area.

In the Dallas area, a contractor went to pull his permit in a smaller suburban city and was told that the impact fees was \$50,000. Please make sure you consider closely your contract language assessing financial responsibility for “building permit” fees because a permit will not be issued without payment of the impact fee.