

WHAT ARE IMPACT FEES?

Impact fees help implement the City's growth policy, long-range transportation plan and supports development by providing adequate transportation, water, sewer, and fire protection systems to our community. Impact fees are only one part of a total funding package, which maintains and expands the City's infrastructure.

Impact fees are collected only when there is an increase in expected service demand. Fees are reduced when existing structures are reused or redeveloped and some development actions are considered to have no impact. Article 2.06 of the Bozeman Municipal Code defines this information in more detail.

The City of Bozeman implemented a Development Impact Fee Program on March 23, 1996. Impact Fees are authorized in Montana by Title 7, Chapter 6, Part 16, MCA. Impact fees are not part of property taxes, monthly utility bills or annual assessments.

HOW ARE IMPACT FEES USED?

The City uses impact fees to expand service capacity in basic infrastructure, ultimately enabling additional development in our community. There are specific guidelines as to where they can be used and a timeframe for using the collected fees.

- Impact fees can only be spent on the same type of facility for which the fee was collected.
- Impact fees must be spent on facilities that benefit the property that paid the fee.
- Impact fees must be used within 10 years or are refunded.

WHAT TYPES OF PROJECTS ARE ASSESSED IMPACT FEES?

All applications for building permits, water connections, and sewer connections are evaluated and assessed impact fees. Fees are set according to the date an application for building permit or water/sewer connection is made. (A list of the impact fees and their amounts is available online or at the City of Bozeman Department of Community Development).

HOW ARE THE FEE AMOUNTS CALCULATED?

Different categories of uses have been established to help simplify the process.

- Fees for residential uses are calculated based on the number and size of dwelling unit and size of lot.
- Commercial, industrial, and institutional Fire and Street Impact Fees are calculated based on building area.

- Non-residential Water and Wastewater Impact Fees are based on the size of the water meter and the size of the lot.

Every four years the City of Bozeman prepares studies to update impact fees. The studies evaluate present needs, future needs, and determine a unit cost of service. The studies are available for public review and the public is encouraged to participate in the study update process. Note that fees are adjusted annually for inflation.

An impact fee estimator can be found at www.Bozeman.net/planning. If you have additional questions or need more information specific to your project, contact the City of Bozeman Department of Community Development.

WHEN ARE IMPACT FEES DUE AND HOW ARE THEY COLLECTED?

Impact fees become due and payable as follows:

- Water and Sewer impact fees are due when a permit is issued to connect to the water or sewer system.
- Fire and transportation fees are due when a building permit is issued.
- The City has adopted a transportation fee payment deferral program, which is available for any project but primarily benefits larger projects with longer buildout times.
- Projects which do not cause an increased need for service do not pay fees.

HOW DOES THE CITY ENSURE CORRECT USE OF PAID FEES?

The City of Bozeman prepares an annual Capital Improvements Program (CIP) that helps to ensure impact fees are used correctly. The CIP describes currently available money, expected revenues, and what projects are expected to be funded with impact fees over the next five years. The CIP also helps coordinate construction with other public and private construction projects to achieve maximum efficiency from funds spent. The CIP is available online at www.Bozeman.net and the City encourages citizen participation in preparation of the CIP.

QUESTIONS? NEED MORE INFORMATION? CONTACT:

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