Process for Discontinuing a local Impact Fee Program

In order for a local government to dissolve its program for collection of development impact fees, while remaining in compliance with state law (i.e., The Development Impact Fee Act of 1991 - DIFA), we recommend the following process:

1. The local government must, through formal resolution, repeal the Impact Fee Ordinance that was adopted at the inception of the Impact Fee Program.

2. Once the resolution has been adopted, the local government will need to notify the Department of Community Affairs (DCA) of this action and attach a copy of the signed and executed resolution.

3. The Department will subsequently remove the annual reporting requirement (“CIE Annual Updates”) that were necessary to remain in compliance with DIFA.

4. The local government will need to consult with their city or county attorney to ensure compliance with DIFA requirements regarding refunds of unencumbered impact fee collections.

5. Upon dispensing all collected and unencumbered impact fee collections, the local government must submit a final CIE Annual Update to their regional commission for approval.

6. The local government will also need to amend their comprehensive plan to remove or revise the optional Capital Improvement Element (CIE) that was added at the inception of their impact fee program.