

REFERENCE TITLE: municipalities; counties; development fees

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

## **HB 2946**

Introduced by  
Representative Powell

AN ACT

AMENDING SECTIONS 9-463.05, 9-511.01 AND 11-1102, ARIZONA REVISED  
STATUTES; RELATING TO DEVELOPMENT FEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 9-463.05, Arizona Revised Statutes, is amended  
3 to read:

4 9-463.05. Development fees; imposition by cities and towns;  
5 infrastructure improvements plan; annual report;  
6 advisory committee; limitation on actions;  
7 definitions

8 A. A municipality may assess development fees to offset costs to  
9 the municipality associated with providing necessary public services to a  
10 development, including the costs of infrastructure, improvements, real  
11 property, engineering and architectural services, financing and  
12 professional services required for the preparation or revision of a  
13 development fee pursuant to this section, including the relevant portion  
14 of the infrastructure improvements plan.

15 B. Development fees assessed by a municipality under this section  
16 are subject to the following requirements:

17 1. Development fees shall result in a beneficial use to the  
18 development.

19 2. The municipality shall calculate the development fee based on  
20 the infrastructure improvements plan adopted pursuant to this section.

21 3. The development fee shall not exceed a proportionate share of  
22 the cost of necessary public services, based on service units, needed to  
23 provide necessary public services to the development.

24 4. Costs for necessary public services made necessary by new  
25 development shall be based on the same level of service provided to  
26 existing development in the service area.

27 5. Development fees may not be used for any of the following:

28 (a) Construction, acquisition or expansion of public facilities or  
29 assets other than necessary public services or facility expansions  
30 identified in the infrastructure improvements plan.

31 (b) Repair, operation or maintenance of existing or new necessary  
32 public services or facility expansions.

33 (c) Upgrading, updating, expanding, correcting or replacing  
34 existing necessary public services to serve existing development in order  
35 to meet stricter safety, efficiency, environmental or regulatory  
36 standards.

37 (d) Upgrading, updating, expanding, correcting or replacing  
38 existing necessary public services to provide a higher level of service to  
39 existing development.

40 (e) Administrative, maintenance or operating costs of the  
41 municipality.

42 6. Any development for which a development fee has been paid is  
43 entitled to the use and benefit of the services for which the fee was  
44 imposed and is entitled to receive immediate service from any existing  
45 facility with available capacity to serve the new service units if the

1 available capacity has not been reserved or pledged in connection with the  
2 construction or financing of the facility.

3 7. Development fees may be collected if any of the following  
4 occurs:

5 (a) The collection is made to pay for a necessary public service or  
6 facility expansion that is identified in the infrastructure improvements  
7 plan and the municipality plans to complete construction and to have the  
8 service available within the time period established in the infrastructure  
9 ~~improvement~~ IMPROVEMENTS plan, but in no event longer than the time period  
10 provided in subsection ~~H~~ I, paragraph 3 of this section.

11 (b) The municipality reserves in the infrastructure improvements  
12 plan adopted pursuant to this section or otherwise agrees to reserve  
13 capacity to serve future development.

14 (c) The municipality requires or agrees to allow the owner of a  
15 development to construct or finance the necessary public service or  
16 facility expansion and any of the following ~~apply~~ APPLIES:

17 (i) The costs incurred or money advanced are credited against or  
18 reimbursed from the development fees otherwise due from a development.

19 (ii) The municipality reimburses the owner for those costs from the  
20 development fees paid from all developments that will use those necessary  
21 public services or facility expansions.

22 (iii) For those costs incurred the municipality allows the owner to  
23 assign the credits or reimbursement rights from the development fees  
24 otherwise due from a development to other developments for the same  
25 category of necessary public services in the same service area.

26 8. Projected interest charges and other finance costs may be  
27 included in determining the amount of development fees only if the monies  
28 are used for the payment of principal and interest on the portion of the  
29 bonds, notes or other obligations issued to finance construction of  
30 necessary public services or facility expansions identified in the  
31 infrastructure improvements plan.

32 9. Monies received from development fees assessed pursuant to this  
33 section shall be placed in a separate fund and accounted for separately  
34 and may only be used for the purposes authorized by this section. Monies  
35 received from a development fee identified in an infrastructure  
36 improvements plan adopted or updated pursuant to subsection D of this  
37 section shall be used to provide the same category of necessary public  
38 services or facility expansions for which the development fee was assessed  
39 and for the benefit of the same service area, as defined in the  
40 infrastructure improvements plan, in which the development fee was  
41 assessed. Interest earned on monies in the separate fund shall be  
42 credited to the fund.

43 10. The schedule for payment of fees shall be provided by the  
44 municipality. Based on the cost identified in the infrastructure  
45 improvements plan, the municipality shall provide a credit toward the

1 payment of a development fee for the required or agreed to dedication of  
2 public sites, improvements and other necessary public services or facility  
3 expansions included in the infrastructure improvements plan and for which  
4 a development fee is assessed, to the extent the public sites,  
5 improvements and necessary public services or facility expansions are  
6 provided by the developer. The developer of residential dwelling units  
7 ~~shall be required to pay development fees when construction permits for~~  
8 ~~the dwelling units are issued, or at a later time if specified in a~~  
9 ~~development agreement pursuant to section 9-500.05. If a development~~  
10 ~~agreement provides for fees to be paid at a time later than the issuance~~  
11 ~~of construction permits, the deferred fees shall be paid no later than~~  
12 ~~fifteen days after the issuance of a certificate of occupancy. The~~  
13 ~~development agreement shall provide for the value of any deferred fees to~~  
14 ~~be supported by appropriate security, including a surety bond, letter of~~  
15 ~~credit or cash bond~~ MAY ELECT TO PAY DEVELOPMENT FEES AT THE TIME THE  
16 CONSTRUCTION PERMIT FOR THE RESIDENTIAL DWELLING UNITS IS ISSUED OR MAY  
17 ELECT TO DEFER PAYMENT OF THE DEVELOPMENT FEES TO NOT MORE THAN FIFTEEN  
18 DAYS AFTER THE CERTIFICATE OF OCCUPANCY IS ISSUED. IF THE DEVELOPER  
19 ELECTS TO DEFER PAYMENT OF THE DEVELOPMENT FEES FOR NOT MORE THAN FIFTEEN  
20 DAYS AFTER THE CERTIFICATE OF OCCUPANCY IS ISSUED, THE MUNICIPALITY SHALL  
21 ALLOW THE DEFERRED PAYMENT OF THE DEVELOPMENT FEES IF THE DEVELOPER  
22 PROVIDES SECURITY IN AN AMOUNT EQUAL TO THE DEFERRED DEVELOPMENT FEES.  
23 THE SECURITY PROVIDED BY THE DEVELOPER MAY BE IN THE FORM OF A SURETY  
24 BOND, LETTER OF CREDIT OR CASH BOND. A MUNICIPALITY MAY NOT REQUIRE A  
25 DEVELOPMENT AGREEMENT PURSUANT TO SECTION 9-500.05 AS A CONDITION OF  
26 ALLOWING DEFERRED PAYMENT OF DEVELOPMENT FEES. A MUNICIPALITY MAY NOT  
27 REQUIRE A DEVELOPER TO PAY DEVELOPMENT FEES EARLIER THAN THE TIME ELECTED  
28 BY THE DEVELOPER PURSUANT TO THIS PARAGRAPH.

29 11. If a municipality requires as a condition of development  
30 approval the construction or improvement of, contributions to or  
31 dedication of any facilities that were not included in a previously  
32 adopted infrastructure improvements plan, the municipality shall cause the  
33 infrastructure improvements plan to be amended to include the facilities  
34 and shall provide a credit toward the payment of a development fee for the  
35 construction, improvement, contribution or dedication of the facilities to  
36 the extent that the facilities will substitute for or otherwise reduce the  
37 need for other similar facilities in the infrastructure improvements plan  
38 for which development fees were assessed. IF A MUNICIPALITY REQUIRES AS A  
39 CONDITION OF DEVELOPMENT APPROVAL THE SET ASIDE OF ACTIVE OR PASSIVE OPEN  
40 SPACE, THE MUNICIPALITY SHALL ISSUE A CREDIT TOWARD ANY DEVELOPMENT FEES  
41 IDENTIFIED IN THE INFRASTRUCTURE IMPROVEMENTS PLAN TO FUND ANY PARK  
42 FACILITIES OR FACILITY EXPANSION. ON REQUEST OF THE INDIVIDUAL OR ENTITY  
43 SEEKING DEVELOPMENT APPROVAL, INSTEAD OF ISSUING A CREDIT TOWARD THE  
44 PAYMENT OF DEVELOPMENT FEES, THE MUNICIPALITY SHALL PROVIDE FOR  
45 REIMBURSEMENT FROM THE DEVELOPMENT FEES PAID FROM ALL DEVELOPMENT THAT

1 WILL USE THOSE FACILITIES OR FACILITY EXPANSIONS OF THE ACTUAL COSTS OF  
2 THE CONSTRUCTION OR IMPROVEMENT OF, CONTRIBUTIONS TO OR DEDICATION OF THE  
3 PUBLIC FACILITIES REQUIRED AS A CONDITION OF DEVELOPMENT APPROVAL.

4 12. The municipality shall forecast the contribution to be made in  
5 the future in cash or by taxes, fees, assessments or other sources of  
6 revenue derived from the property owner towards the capital costs of the  
7 necessary public service covered by the development fee and shall include  
8 these contributions in determining the extent of the burden imposed by the  
9 development. ~~Beginning August 1, 2014,~~ For purposes of calculating the  
10 required offset to development fees pursuant to this subsection, if a  
11 municipality imposes a construction contracting or similar excise tax  
12 rate, ~~in excess of the percentage amount of the transaction privilege tax~~  
13 ~~rate imposed on the majority of other transaction privilege tax~~  
14 ~~classifications, the entire excess portion of the construction contracting~~  
15 ~~or similar excise tax~~ THE FULL AMOUNT shall be treated as a contribution  
16 to the capital costs of necessary public services provided to development  
17 for which development fees are assessed, unless the excess portion was  
18 already taken into account for such purpose pursuant to this subsection.

19 13. If development fees are assessed by a municipality, the fees  
20 shall be assessed against commercial, residential and industrial  
21 development. ~~, except that~~ The municipality may distinguish between  
22 different categories of residential, commercial and industrial development  
23 in assessing the costs to the municipality of providing necessary public  
24 services to new development and in determining the amount of the  
25 development fee applicable to the category of development, EXCEPT THAT THE  
26 MUNICIPALITY MAY NOT DISTINGUISH BETWEEN RESIDENTIAL DEVELOPMENTS ON THE  
27 BASIS OF THE SIZE OF THE RESIDENTIAL DWELLING UNIT OR NUMBER OF BEDROOMS.  
28 If a municipality agrees to waive any of the development fees assessed on  
29 a development, the municipality shall reimburse the appropriate  
30 development fee accounts for the amount that was waived. The municipality  
31 shall provide notice of any such waiver to the advisory committee  
32 established pursuant to subsection ~~G~~ H of this section within thirty  
33 days.

34 14. In determining and assessing a development fee applying to land  
35 in a community facilities district established under title 48, chapter 4,  
36 article 6, the municipality shall take into account all public  
37 infrastructure provided by the district and capital costs paid by the  
38 district for necessary public services and shall not assess a portion of  
39 the development fee based on the infrastructure or costs.

40 15. THE ADOPTION OF AN INCREASE IN A CURRENT DEVELOPMENT FEE  
41 PURSUANT TO SUBSECTION D OF THIS SECTION IS SUBJECT TO THE FOLLOWING:

42 (a) AN INCREASE OF LESS THAN TWENTY-FIVE PERCENT OF THE CURRENT  
43 DEVELOPMENT FEE SHALL BE IMPLEMENTED IN TWO EQUAL ANNUAL INSTALLMENTS  
44 BEGINNING ON THE DATE ON WHICH THE INCREASED DEVELOPMENT FEE IS ADOPTED.

1 (b) AN INCREASE OF MORE THAN TWENTY-FIVE PERCENT BUT LESS THAN  
2 FIFTY PERCENT OF THE CURRENT DEVELOPMENT FEE SHALL BE IMPLEMENTED IN FOUR  
3 EQUAL ANNUAL INSTALLMENTS BEGINNING ON THE DATE ON WHICH THE INCREASED  
4 DEVELOPMENT FEE IS ADOPTED.

5 (c) AN INCREASE IN A DEVELOPMENT FEE MAY NOT EXCEED FIFTY PERCENT  
6 OF THE CURRENT DEVELOPMENT FEE.

7 (d) A DEVELOPMENT FEE MAY NOT BE INCREASED MORE THAN ONCE EVERY  
8 FOUR YEARS AND MAY NOT BE INCREASED RETROACTIVELY IN A CURRENT FISCAL OR  
9 CALENDAR YEAR OR TO A PREVIOUS FISCAL OR CALENDAR YEAR.

10 16. A MUNICIPALITY MAY INCREASE A DEVELOPMENT FEE RATE BEYOND THE  
11 LIMITS OF PARAGRAPH 15 OF THIS SUBSECTION IF ALL OF THE FOLLOWING APPLY:

12 (a) AN ORDINANCE TO INCREASE THE DEVELOPMENT FEE IS APPROVED BY A  
13 UNANIMOUS VOTE OF THE GOVERNING BODY OF THE MUNICIPALITY.

14 (b) THE MUNICIPALITY PROVIDES A REPORT THAT HAS BEEN COMPLETED IN  
15 THE TWELVE MONTHS BEFORE THE ORDINANCE THAT APPROVES THE INCREASE IN  
16 DEVELOPMENT FEES.

17 (c) THE REPORT PROVIDED PURSUANT TO SUBDIVISION (b) OF THIS  
18 PARAGRAPH DEMONSTRATES EXTRAORDINARY CIRCUMSTANCES THAT REQUIRE AN  
19 INCREASE IN DEVELOPMENT FEES OF MORE THAN THE AMOUNTS PRESCRIBED IN  
20 PARAGRAPH 15 OF THIS SUBSECTION.

21 C. A municipality shall give at least thirty days' advance notice  
22 of intention to assess a development fee and shall release to the public  
23 and post on its website or the website of an association of cities and  
24 towns if a municipality does not have a website a written report of the  
25 land use assumptions and infrastructure improvements plan adopted pursuant  
26 to subsection D of this section. The municipality shall conduct a public  
27 hearing on the proposed development fee at any time after the expiration  
28 of the thirty day notice of intention to assess a development fee and at  
29 least thirty days before the scheduled date of adoption of the fee by the  
30 governing body. Within sixty days after the date of the public hearing on  
31 the proposed development fee, a municipality shall approve or disapprove  
32 the imposition of the development fee. A municipality shall not adopt an  
33 ordinance, order or resolution approving a development fee as an emergency  
34 measure. A development fee assessed pursuant to this section shall not be  
35 effective until seventy-five days after its formal adoption by the  
36 governing body of the municipality. Nothing in this subsection shall  
37 affect any development fee adopted before July 24, 1982.

38 D. Before the adoption or amendment of a development fee, the  
39 governing body of the municipality shall adopt or update the land use  
40 assumptions and infrastructure improvements plan for the designated  
41 service area. The municipality shall conduct a public hearing on the land  
42 use assumptions and infrastructure improvements plan at least thirty days  
43 before the adoption or update of the plan. The municipality shall release  
44 the plan to the public, post the plan on its website or the website of an  
45 association of cities and towns if the municipality does not have a

1 website, including in the posting its land use assumptions, the time  
2 period of the projections, a description of the necessary public services  
3 included in the infrastructure improvements plan and a map of the service  
4 area to which the land use assumptions apply, make available to the public  
5 the documents used to prepare the assumptions and plan and provide public  
6 notice at least sixty days before the public hearing, subject to the  
7 following:

8 1. The land use assumptions and infrastructure improvements plan  
9 shall be approved or disapproved within sixty days after the public  
10 hearing on the land use assumptions and infrastructure improvements plan  
11 and at least thirty days before the public hearing on the report required  
12 by subsection C of this section. A municipality shall not adopt an  
13 ordinance, order or resolution approving the land use assumptions or  
14 infrastructure improvements plan as an emergency measure.

15 2. An infrastructure improvements plan shall be developed by  
16 qualified professionals using generally accepted engineering and planning  
17 practices pursuant to subsection E of this section.

18 3. A municipality shall update the land use assumptions and  
19 infrastructure improvements plan at least every five years. The initial  
20 five year period begins on the day the infrastructure improvements plan is  
21 adopted. The municipality shall review and evaluate its current land use  
22 assumptions and shall cause an update of the infrastructure improvements  
23 plan to be prepared pursuant to this section.

24 4. Within sixty days after completion of the updated land use  
25 assumptions and infrastructure improvements plan, the municipality shall  
26 schedule and provide notice of a public hearing to discuss and review the  
27 update and shall determine whether to amend the assumptions and plan.

28 5. A municipality shall hold a public hearing to discuss the  
29 proposed amendments to the land use assumptions, the infrastructure  
30 improvements plan or the development fee. The land use assumptions and  
31 the infrastructure improvements plan, including the amount of any proposed  
32 changes to the development fee per service unit, shall be made available  
33 to the public on or before the date of the first publication of the notice  
34 of the hearing on the amendments.

35 6. The notice and hearing procedures prescribed in paragraph 1 of  
36 this subsection apply to a hearing on the amendment of land use  
37 assumptions, an infrastructure improvements plan or a development fee.  
38 Within sixty days after the date of the public hearing on the amendments,  
39 a municipality shall approve or disapprove the amendments to the land use  
40 assumptions, infrastructure improvements plan or development fee. A  
41 municipality shall not adopt an ordinance, order or resolution approving  
42 the amended land use assumptions, infrastructure improvements plan or  
43 development fee as an emergency measure.

1           7. The advisory committee established under subsection ~~G~~ H of this  
2 section shall file its written comments on any proposed or updated land  
3 use assumptions, infrastructure improvements plan and development fees  
4 before the fifth business day before the date of the public hearing on the  
5 proposed or updated assumptions, plan and fees.

6           8. If, at the time an update as prescribed in paragraph 3 of this  
7 subsection is required, the municipality determines that no changes to the  
8 land use assumptions, infrastructure improvements plan or development fees  
9 are needed, the municipality may as an alternative to the updating  
10 requirements of this subsection publish notice of its determination on its  
11 website and include the following:

12           (a) A statement that the municipality has determined that no change  
13 to the land use assumptions, infrastructure improvements plan or  
14 development fee is necessary.

15           (b) A description and map of the service area in which an update  
16 has been determined to be unnecessary.

17           (c) A statement that by a specified date, which shall be at least  
18 sixty days after the date of publication of the first notice, a person may  
19 make a written request to the municipality requesting that the land use  
20 assumptions, infrastructure improvements plan or development fee be  
21 updated.

22           (d) A statement identifying the person or entity to whom the  
23 written request for an update should be sent.

24           9. If, by the date specified pursuant to paragraph 8 of this  
25 subsection, a person requests in writing that the land use assumptions,  
26 infrastructure improvements plan or development fee be updated, the  
27 municipality shall cause, accept or reject an update of the assumptions  
28 and plan to be prepared pursuant to this subsection.

29           10. Notwithstanding the notice and hearing requirements for  
30 adoption of an infrastructure improvements plan, a municipality may amend  
31 an infrastructure improvements plan adopted pursuant to this section  
32 without a public hearing if the amendment addresses only elements of  
33 necessary public services in the existing infrastructure improvements plan  
34 and the changes to the plan will not, individually or cumulatively with  
35 other amendments adopted pursuant to this subsection, increase the level  
36 of service in the service area or cause a development fee increase of  
37 greater than five ~~percent~~ PERCENT when a new or modified development fee  
38 is assessed pursuant to this section. The municipality shall provide  
39 notice of any such amendment at least thirty days before adoption, shall  
40 post the amendment on its website or on the website of an association of  
41 cities and towns if the municipality does not have a website and shall  
42 provide notice to the advisory committee established pursuant to  
43 subsection ~~G~~ H of this section that the amendment complies with this  
44 subsection.

1 E. For each necessary public service that is the subject of a  
2 development fee, the infrastructure improvements plan shall include:

3 1. A description of the existing necessary public services in the  
4 service area and the costs to upgrade, update, improve, expand, correct or  
5 replace those necessary public services to meet existing needs and usage  
6 and stricter safety, efficiency, environmental or regulatory standards,  
7 which shall be prepared by qualified professionals licensed in this state,  
8 as applicable.

9 2. An analysis of the total capacity, the level of current usage  
10 and commitments for usage of capacity of the existing necessary public  
11 services, which shall be prepared by qualified professionals licensed in  
12 this state, as applicable.

13 3. A description of all or the parts of the necessary public  
14 services or facility expansions and their costs necessitated by and  
15 attributable to development in the service area based on the approved land  
16 use assumptions, including a forecast of the costs of infrastructure,  
17 improvements, real property, financing, engineering and architectural  
18 services, which shall be prepared by qualified professionals licensed in  
19 this state, as applicable.

20 4. A table establishing the specific level or quantity of use,  
21 consumption, generation or discharge of a service unit for each category  
22 of necessary public services or facility expansions and an equivalency or  
23 conversion table establishing the ratio of a service unit to various types  
24 of land uses, including residential, commercial and industrial.

25 5. The total number of projected service units necessitated by and  
26 attributable to new development in the service area based on the approved  
27 land use assumptions and calculated pursuant to generally accepted  
28 engineering and planning criteria.

29 6. The projected demand for necessary public services or facility  
30 expansions required by new service units for a period not to exceed ten  
31 years.

32 7. A forecast of revenues generated by new service units other than  
33 development fees, which shall include estimated state-shared revenue,  
34 highway ~~users~~ USER revenue, federal revenue, ad valorem property taxes,  
35 construction contracting or similar excise taxes and the capital recovery  
36 portion of utility fees attributable to development based on the approved  
37 land use assumptions, and a plan to include these contributions in  
38 determining the extent of the burden imposed by the development as  
39 required in subsection B, paragraph 12 of this section.

40 F. A municipality's development fee ordinance shall provide that a  
41 new development fee or an increased portion of a modified development fee  
42 ~~shall not be assessed against a development for twenty-four months after~~  
43 ~~the date that the municipality issues the final approval for a commercial,~~  
44 ~~industrial or multifamily development or the date that the first building~~  
45 ~~permit is issued for a residential development pursuant to an approved~~

1 ~~site plan or subdivision plat, provided that no subsequent changes are~~  
2 ~~made to the approved site plan or subdivision plat that would increase the~~  
3 ~~number of service units. EITHER:~~

4 1. A RESIDENTIAL DEVELOPMENT FOR WHICH THE MUNICIPALITY HAS  
5 APPROVED A FINAL SUBDIVISION PLAT FOR THE DURATION OF THE BUILD-OUT OF THE  
6 SUBDIVISION IF NO SUBSEQUENT CHANGES ARE MADE TO THE APPROVED FINAL  
7 SUBDIVISION PLAT THAT WOULD INCREASE THE NUMBER OF SERVICE UNITS. IF THE  
8 NUMBER OF SERVICE UNITS INCREASES, THE NEW DEVELOPMENT FEE OR INCREASED  
9 PORTION OF THE MODIFIED DEVELOPMENT FEE SHALL BE LIMITED TO THE AMOUNT  
10 THAT IS ATTRIBUTED TO THE ADDITIONAL SERVICE UNITS.

11 2. A COMMERCIAL, INDUSTRIAL OR MULTIFAMILY DEVELOPMENT FOR  
12 TWENTY-FOUR MONTHS AFTER THE EFFECTIVE DATE OF THE DEVELOPMENT FEE  
13 ORDINANCE THAT IMPOSES A NEW OR INCREASED DEVELOPMENT FEE IF NO SUBSEQUENT  
14 CHANGES ARE MADE TO THE APPROVED SITE PLAN THAT INCREASES THE NUMBER OF  
15 SERVICE UNITS. If the number of service units increases, the new or  
16 increased portion of a modified development fee shall be limited to the  
17 amount attributable to the additional service units. ~~The twenty-four~~  
18 ~~month period shall not be extended by a renewal or amendment of the site~~  
19 ~~plan or the final subdivision plat that was the subject of the final~~  
20 ~~approval.~~

21 G. The municipality shall issue, on request, a written statement of  
22 the development fee schedule applicable to the development. If, after the  
23 date of the municipality's final approval of a development, the  
24 municipality reduces the development fee assessed on development, the  
25 reduced fee shall apply to the development.

26 ~~G.~~ H. A municipality shall do one of the following:

27 1. Before the adoption of proposed or updated land use assumptions,  
28 infrastructure improvements plan and development fees as prescribed in  
29 subsection D of this section, the municipality shall appoint an  
30 infrastructure improvements advisory committee, subject to the following  
31 requirements:

32 (a) The advisory committee shall be composed of at least five  
33 members who are appointed by the governing body of the municipality. At  
34 least fifty ~~per cent~~ PERCENT of the members of the advisory committee must  
35 be representatives of the real estate, development or building industries,  
36 of which at least one member of the committee must be from the home  
37 building industry. Members shall not be employees or officials of the  
38 municipality.

39 (b) The advisory committee shall serve in an advisory capacity and  
40 shall:

41 (i) Advise the municipality in adopting land use assumptions and in  
42 determining whether the assumptions are in conformance with the general  
43 plan of the municipality.

44 (ii) Review the infrastructure improvements plan and file written  
45 comments.

1 (iii) Monitor and evaluate implementation of the infrastructure  
2 improvements plan.

3 (iv) Every year file reports with respect to the progress of the  
4 infrastructure improvements plan and the collection and expenditures of  
5 development fees and report to the municipality any perceived inequities  
6 in implementing the plan or imposing the development fee.

7 (v) Advise the municipality of the need to update or revise the  
8 land use assumptions, infrastructure improvements plan and development  
9 fee.

10 (c) The municipality shall make available to the advisory committee  
11 any professional reports with respect to developing and implementing the  
12 infrastructure improvements plan.

13 (d) The municipality shall adopt procedural rules for the advisory  
14 committee to follow in carrying out the committee's duties.

15 2. In lieu of creating an advisory committee pursuant to paragraph  
16 1 of this subsection, provide for a biennial certified audit of the  
17 municipality's land use assumptions, infrastructure improvements plan and  
18 development fees. An audit pursuant to this paragraph shall be conducted  
19 by one or more qualified professionals who are not employees or officials  
20 of the municipality and who did not prepare the infrastructure  
21 improvements plan. The audit shall review the progress of the  
22 infrastructure improvements plan, including the collection and  
23 expenditures of development fees for each project in the plan, and  
24 evaluate any inequities in implementing the plan or imposing the  
25 development fee. The municipality shall post the findings of the audit on  
26 the municipality's website or the website of an association of cities and  
27 towns if the municipality does not have a website and shall conduct a  
28 public hearing on the audit within sixty days of the release of the audit  
29 to the public.

30 ~~H.~~ I. On written request, an owner of real property for which a  
31 development fee has been paid after July 31, 2014 is entitled to a refund  
32 of a development fee or any part of a development fee if:

33 1. Pursuant to subsection B, paragraph 6 of this section, existing  
34 facilities are available and service is not provided.

35 2. The municipality has, after collecting the fee to construct a  
36 facility when service is not available, failed to complete construction  
37 within the time period identified in the infrastructure improvements plan,  
38 but in no event later than the time period specified in paragraph 3 of  
39 this subsection.

40 3. For a development fee other than a development fee for water or  
41 wastewater facilities, any part of the development fee is not spent as  
42 authorized by this section within ten years after the fee has been paid  
43 or, for a development fee for water or wastewater facilities, any part of  
44 the development fee is not spent as authorized by this section within  
45 fifteen years after the fee has been paid.

1           ~~I.~~ J. If the development fee was collected for the construction of  
2 all or a portion of a specific item of infrastructure, and on completion  
3 of the infrastructure the municipality determines that the actual cost of  
4 construction was less than the forecasted cost of construction on which  
5 the development fee was based ~~and the difference between the actual and~~  
6 ~~estimated cost is greater than ten per cent~~, the current owner may receive  
7 a refund of the portion of the development fee equal to the difference  
8 between the development fee paid and the development fee that would have  
9 been due if the development fee had been calculated at the actual  
10 construction cost.

11           ~~J.~~ K. A refund shall include any interest earned by the  
12 municipality from the date of collection to the date of refund on the  
13 amount of the refunded fee. All refunds shall be made to the record owner  
14 of the property at the time the refund is paid. If the development fee is  
15 paid by a governmental entity, the refund shall be paid to the  
16 governmental entity.

17           ~~K.~~ L. A development fee that was adopted before January 1, 2012  
18 may continue to be assessed only to the extent that it will be used to  
19 provide a necessary public service for which development fees can be  
20 assessed pursuant to this section and shall be replaced by a development  
21 fee imposed under this section on or before August 1, 2014. Any  
22 municipality having a development fee that has not been replaced under  
23 this section on or before August 1, 2014 shall not collect development  
24 fees until the development fee has been replaced with a fee that complies  
25 with this section. Any development fee monies collected before January 1,  
26 2012 remaining in a development fee account:

27           1. Shall be used towards the same category of necessary public  
28 services as authorized by this section.

29           2. If development fees were collected for a purpose not authorized  
30 by this section, shall be used for the purpose for which they were  
31 collected on or before January 1, 2020, and after which, if not spent,  
32 shall be distributed equally among the categories of necessary public  
33 services authorized by this section.

34           ~~L.~~ M. A moratorium shall not be placed on development for the sole  
35 purpose of awaiting completion of all or any part of the process necessary  
36 to develop, adopt or update development fees.

37           ~~M.~~ N. In any judicial action interpreting this section, all powers  
38 conferred on municipal governments in this section shall be narrowly  
39 construed to ensure that development fees are not used to impose on new  
40 residents a burden all taxpayers of a municipality should bear equally.

41           ~~N.~~ O. Each municipality that assesses development fees shall  
42 submit an annual report accounting for the collection and use of the fees  
43 for each service area. The annual report shall include the following:

44           1. The amount assessed by the municipality for each type of  
45 development fee.

1           2. The balance of each fund maintained for each type of development  
2 fee assessed as of the beginning and end of the fiscal year.

3           3. The amount of interest or other earnings on the monies in each  
4 fund as of the end of the fiscal year.

5           4. The amount of development fee monies used to repay:

6           (a) Bonds issued by the municipality to pay the cost of a capital  
7 improvement project that is the subject of a development fee assessment,  
8 including the amount needed to repay the debt service obligations on each  
9 facility for which development fees have been identified as the source of  
10 funding and the time frames in which the debt service will be repaid.

11           (b) Monies advanced by the municipality from funds other than the  
12 funds established for development fees in order to pay the cost of a  
13 capital improvement project that is the subject of a development fee  
14 assessment, the total amount advanced by the municipality for each  
15 facility, the source of the monies advanced and the terms under which the  
16 monies will be repaid to the municipality.

17           5. The amount of development fee monies spent on each capital  
18 improvement project that is the subject of a development fee assessment  
19 and the physical location of each capital improvement project.

20           6. The amount of development fee monies spent for each purpose  
21 other than a capital improvement project that is the subject of a  
22 development fee assessment.

23           ~~P.~~ P. Within ninety days following the end of each fiscal year,  
24 each municipality shall submit a copy of the annual report to the city  
25 clerk and post the report on the municipality's website or the website of  
26 an association of cities and towns if the municipality does not have a  
27 website. Copies shall be made available to the public on request. The  
28 annual report may contain financial information that has not been audited.

29           ~~P.~~ Q. A municipality that fails to file the report and post the  
30 report on the municipality's website or the website of an association of  
31 cities and towns if the municipality does not have a website as required  
32 by this section shall not collect development fees until the report is  
33 filed and posted.

34           ~~R.~~ R. Any action to collect a development fee shall be commenced  
35 within two years after the obligation to pay the fee accrues.

36           ~~R.~~ S. A municipality may continue to assess a development fee  
37 adopted before January 1, 2012 for any facility that was financed before  
38 June 1, 2011 if:

39           1. Development fees were pledged to repay debt service obligations  
40 related to the construction of the facility.

41           2. After August 1, 2014, any development fees collected under this  
42 subsection are used solely for the payment of principal and interest on  
43 the portion of the bonds, notes or other debt service obligations issued  
44 before June 1, 2011 to finance construction of the facility.

1           ~~S~~. T. Through August 1, 2014, a development fee adopted before  
2 January 1, 2012 may be used to finance construction of a facility and may  
3 be pledged to repay debt service obligations if:

4           1. The facility that is being financed is a facility that is  
5 described under subsection ~~F~~ V, paragraph 7, subdivisions (a) through ~~(g)~~  
6 (e) of this section.

7           2. The facility was included in an infrastructure improvements plan  
8 adopted before June 1, 2011.

9           3. The development fees are used for the payment of principal and  
10 interest on the portion of the bonds, notes or other debt service  
11 obligations issued to finance construction of the necessary public  
12 services or facility expansions identified in the infrastructure  
13 ~~improvement~~ IMPROVEMENTS plan.

14           U. NOTWITHSTANDING ANY OTHER LAW, A MUNICIPALITY MAY NOT ASSESS A  
15 DEVELOPMENT FEE ON THE DEVELOPMENT OF AN ACCESSORY DWELLING UNIT. FOR THE  
16 PURPOSES OF THIS SUBSECTION, "ACCESSORY DWELLING UNIT" HAS THE SAME  
17 MEANING PRESCRIBED IN SECTION 9-461.18.

18           ~~F~~. V. For the purposes of this section:

19           1. "Dedication" means the actual conveyance date or the date an  
20 improvement, facility or real or personal property is placed into service,  
21 whichever occurs first.

22           2. "Development" means:

23           (a) The subdivision of land.

24           (b) The construction, reconstruction, conversion, structural  
25 alteration, relocation or enlargement of any structure that adds or  
26 increases the number of service units.

27           (c) Any use or extension of the use of land that increases the  
28 number of service units.

29           3. "Facility expansion" means the expansion of the capacity of an  
30 existing facility that serves the same function as an otherwise new  
31 necessary public service in order that the existing facility may serve new  
32 development. Facility expansion does not include the repair, maintenance,  
33 modernization or expansion of an existing facility to better serve  
34 existing development.

35           4. "Final approval" means:

36           (a) For a nonresidential or multifamily development, the approval  
37 of a site plan or, if no site plan is submitted for the development, the  
38 approval of a final subdivision plat.

39           (b) For a single family residential development, the approval of a  
40 final subdivision plat.

41           5. "Infrastructure improvements plan" means a written plan that  
42 identifies each necessary public service or facility expansion that is  
43 proposed to be the subject of a development fee and otherwise complies  
44 with the requirements of this section, and may be the municipality's  
45 capital improvements plan.

1           6. "Land use assumptions" means projections of changes in land  
2 uses, densities, intensities and population for a specified service area  
3 over a period of at least ten years and pursuant to the general plan of  
4 the municipality.

5           7. "Necessary public service" means any of the following facilities  
6 that have a life expectancy of three or more years and that are owned and  
7 operated by or on behalf of the municipality:

8           (a) Water facilities, including the supply, transportation,  
9 treatment, purification and distribution of water, and any appurtenances  
10 for those facilities.

11           (b) Wastewater facilities, including collection, interception,  
12 transportation, treatment and disposal of wastewater, and any  
13 appurtenances for those facilities.

14           (c) ~~Storm water~~ STORMWATER, drainage and flood control facilities,  
15 including any appurtenances for those facilities.

16           ~~(d) Library facilities of up to ten thousand square feet that  
17 provide a direct benefit to development, not including equipment, vehicles  
18 or appurtenances.~~

19           ~~(e)~~ (d) Street facilities located in the service area, including  
20 arterial or collector streets or roads that have been designated on an  
21 officially adopted plan of the municipality, traffic signals and  
22 rights-of-way and improvements thereon.

23           ~~(f)~~ (e) Fire and police facilities, including all appurtenances,  
24 equipment and vehicles. Fire and police facilities do not include a  
25 facility or portion of a facility that is used to replace services that  
26 were once provided elsewhere in the municipality, vehicles and equipment  
27 used to provide administrative services, helicopters or airplanes or a  
28 facility that is used for training firefighters or officers from more than  
29 one station or substation.

30           ~~(g) Neighborhood parks and recreational facilities on real property  
31 up to thirty acres in area, or parks and recreational facilities larger  
32 than thirty acres if the facilities provide a direct benefit to the  
33 development. Park and recreational facilities do not include vehicles,  
34 equipment or that portion of any facility that is used for amusement  
35 parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural  
36 facilities, bandstand and orchestra facilities, bathhouses, boathouses,  
37 clubhouses, community centers greater than three thousand square feet in  
38 floor area, environmental education centers, equestrian facilities, golf  
39 course facilities, greenhouses, lakes, museums, theme parks, water  
40 reclamation or riparian areas, wetlands, zoo facilities or similar  
41 recreational facilities, but may include swimming pools.~~

42           ~~(h)~~ (f) Any facility that was financed and that meets all of the  
43 requirements prescribed in subsection ~~R~~ S of this section.

1 8. "Qualified professional" means a professional engineer,  
2 surveyor, financial analyst or planner providing services within the scope  
3 of the person's license, education or experience.

4 9. "Service area":

5 (a) Means any specified area within the boundaries of a  
6 municipality in which development will be served by necessary public  
7 services or facility expansions and within which a substantial nexus  
8 exists between the necessary public services or facility expansions and  
9 the development being served as prescribed in the infrastructure  
10 improvements plan.

11 (b) INCLUDES THE SERVICE TERRITORY OF WATER OR WASTEWATER  
12 FACILITIES, WHETHER INSIDE OR OUTSIDE OF THE BOUNDARIES OF THE  
13 MUNICIPALITY, IF THE MUNICIPALITY PROVIDES WATER AND WASTEWATER SERVICES.

14 10. "Service unit" means a standardized measure of consumption,  
15 use, generation or discharge attributable to an individual unit of  
16 development calculated pursuant to generally accepted engineering or  
17 planning standards for a particular category of necessary public services  
18 or facility expansions.

19 Sec. 2. Section 9-511.01, Arizona Revised Statutes, is amended to  
20 read:

21 9-511.01. Water and wastewater business; rates; procedures;  
22 responsibility for payments

23 A. A municipality engaging in a domestic water or wastewater  
24 business shall not increase any water or wastewater rate or rate  
25 component, fee or service charge without complying with the following:

26 1. Prepare a written report or supply data supporting the increased  
27 rate or rate component, fee or service charge. The report or supporting  
28 data shall include cash flow projections that indicate all anticipated  
29 revenues from residential and nonresidential customers and the overall  
30 expenses for providing water or wastewater service. A copy of the report  
31 and cash flow projections shall be made available to the public by filing  
32 a copy in the office of the clerk of the municipality governing board and  
33 posting the report and cash flow projections on the municipality's website  
34 or the website of an association of cities and towns if the municipality  
35 does not have a website at least thirty days before the public hearing  
36 described in paragraph 2 of this subsection.

37 2. Adopt a notice of intention by motion at a regular council  
38 meeting to increase water or wastewater rates or rate components, fees or  
39 service charges and set a date for a public hearing on the proposed  
40 increase that shall be held at least sixty days after adoption of the  
41 notice of intention. A copy of the notice of intention showing the date,  
42 time and place of the hearing shall be published one time in a newspaper  
43 of general circulation within the boundaries of the municipality not less  
44 than twenty days before the public hearing date.

1           3. ANY WATER OR WASTEWATER RATE, RATE COMPONENT, FEE OR SERVICE  
2 CHARGE ASSESSED TO FUND NEW INFRASTRUCTURE OR CAPITAL IMPROVEMENTS SHALL  
3 COMPLY WITH THE REQUIREMENTS PRESCRIBED IN SECTION 9-463.05.

4           B. After holding the public hearing, the governing body may adopt,  
5 by ordinance or resolution, the proposed rate or rate component, fee or  
6 service charge increase or any lesser increase.

7           C. Notwithstanding section 19-142, subsection B, the increased rate  
8 or rate component, fee or service charge shall become effective thirty  
9 days after adoption of the ordinance or resolution.

10          D. Any proposed water or wastewater rate or rate component, fee or  
11 service charge adjustment or increase shall be just and reasonable.

12          E. Rates and charges demanded or received by municipalities for  
13 water and wastewater service shall be just and reasonable. Every unjust  
14 or unreasonable rate or charge demanded or received by a municipality is  
15 prohibited and unlawful.

16          F. A municipality may not assess or collect a fee on new water or  
17 wastewater service connections at the time of the establishment of service  
18 to those connections for the purpose of recovering the municipality's  
19 costs of acquiring, whether by purchase or by eminent domain, the utility  
20 plant, facilities, system or other property of a public service  
21 corporation or another municipality engaged in the business of providing  
22 water or wastewater service. This subsection does not apply to water or  
23 wastewater fees adopted before January 1, 2016 or to water or wastewater  
24 fees included in a notice of intent to adopt or increase water or  
25 wastewater rates and fees adopted before January 1, 2016.

26          G. For residential property of four or fewer units, a municipality  
27 shall not require payment of unpaid water and wastewater service rates and  
28 charges by anyone other than the person who the municipality has  
29 contracted with to provide the service, who physically resides or resided  
30 at the property and who receives or received the service. A property  
31 owner, an immediate family member of the person who does not reside at the  
32 property or any other entity, at its sole discretion, may contract for  
33 water and wastewater service with a municipality and shall provide  
34 payment.

35          H. For residential property of four or fewer units, a municipality  
36 shall not refuse service within the municipality's service area for the  
37 unpaid water and wastewater rates and charges to anyone other than the  
38 person who physically resided and received the service at the property. A  
39 property owner, at the owner's sole discretion, may contract for water and  
40 wastewater service with a municipality and shall provide payment for that  
41 service.

1           Sec. 3. Section 11-1102, Arizona Revised Statutes, is amended to  
2 read:

3           11-1102. County development fees; imposition by counties;  
4           infrastructure improvements plan; advisory  
5           committee; annual report; limitation on actions;  
6           definitions

7           A. A county may assess development fees to offset costs to the  
8 county associated with providing necessary public services to a  
9 development, including the costs of infrastructure, improvements, real  
10 property, engineering and architectural services, financing and  
11 professional services required for the preparation or revision of  
12 ~~a~~ development ~~fee~~ FEES pursuant to this section, including the relevant  
13 portion of the infrastructure improvements plan.

14           B. Development fees assessed under this section are subject to the  
15 following requirements:

16           1. Development fees shall result in a beneficial use to the  
17 development.

18           2. The county shall calculate the development ~~fee~~ FEES based on the  
19 infrastructure improvements plan adopted pursuant to this section.

20           3. The development fees may not exceed a proportionate share of the  
21 cost of necessary public services, based on service units, needed to  
22 provide necessary public services to the development.

23           4. Costs for necessary public services made necessary by new  
24 development shall be based on the same level of service provided to  
25 existing development in the service area at the time the infrastructure  
26 improvements plan is adopted.

27           5. Development fees may not be used for any of the following:

28           (a) Funding a level of service that is higher than the current  
29 level of service provided to existing development at the time the  
30 infrastructure improvements plan is adopted.

31           (b) Construction, acquisition or expansion of public facilities or  
32 assets other than necessary public services or facility expansions  
33 identified in the infrastructure improvements plan.

34           (c) Repair, operation or maintenance of existing or new necessary  
35 public services or facility expansions.

36           (d) Upgrading, updating, expanding, correcting or replacing  
37 existing necessary public services to serve existing development in order  
38 to meet stricter safety, efficiency, environmental or regulatory  
39 standards.

40           (e) Upgrading, updating, expanding, correcting or replacing  
41 existing necessary public services to provide a higher level of service to  
42 existing development.

43           (f) Administrative, maintenance or operating costs of the county.

44           6. Any development for which development fees have been paid is  
45 entitled to the use and benefit of the services for which the development

1 fees were imposed and is entitled to receive immediate service from any  
2 existing facility with available capacity to serve the new service units  
3 if the available capacity has not been reserved or pledged in connection  
4 with the construction or financing of the facility.

5 7. Development fees may be collected if any of the following  
6 occurs:

7 (a) The collection is made to pay for a necessary public service or  
8 facility expansion that is identified in the infrastructure improvements  
9 plan and the county plans to complete construction and have the service  
10 available within the time period established in the infrastructure  
11 improvements plan, but not longer than the time period provided in  
12 subsection J, paragraph 3 of this section.

13 (b) The county reserves capacity in the infrastructure improvements  
14 plan adopted pursuant to this section or otherwise agrees to reserve  
15 capacity to serve future development.

16 (c) The county requires or agrees to allow the owner of a  
17 development to construct or finance the necessary public service or  
18 facility expansion and any of the following applies:

19 (i) The costs incurred or monies advanced are credited against or  
20 reimbursed from the development fees otherwise due from a development.  
21 The amount of credits issued shall equal the costs identified by the  
22 county in the infrastructure improvements plan associated with the  
23 construction of the necessary public services or facility expansions. The  
24 county shall allow the owner to assign the credits from the development  
25 fees otherwise due from a development and any excess credits to other  
26 developments for the same category of necessary public services in the  
27 same service area.

28 (ii) The county reimburses the owner for those costs from the  
29 development fees paid from all developments that will use those necessary  
30 public services or facility expansions. The county shall allow the owner  
31 to assign the reimbursement rights to other developments for the same  
32 category of necessary public services in the same service area.

33 8. Projected interest charges and other finance costs may be  
34 included in determining the amount of development fees only if the monies  
35 are used for the payment of principal and interest on the portion of the  
36 bonds, notes or other obligations issued to finance construction of  
37 necessary public services or facility expansions identified in the  
38 infrastructure improvements plan.

39 9. Monies received from development fees shall be placed in a  
40 separate fund and accounted for separately and may only be used for the  
41 purposes authorized by this section. Monies received from development  
42 fees identified in an infrastructure improvements plan adopted or updated  
43 pursuant to subsection E of this section shall be used to provide the same  
44 category of necessary public services or facilities expansions for which  
45 the development fee was assessed and for the benefit of the same service

1 area as defined in the infrastructure improvements plan in which the  
 2 development fees were assessed. Interest earned on monies in the separate  
 3 fund shall be credited to the fund.

4 10. The county shall prescribe the schedule for paying the  
 5 development fees. Based on the costs identified in the infrastructure  
 6 improvements plan, the county shall provide a credit toward the payment of  
 7 the development fees for the required or agreed to dedication of public  
 8 sites, improvements and other necessary public services or facility  
 9 expansions included in the infrastructure improvements plan and for which  
 10 development fees are assessed, to the extent the public sites,  
 11 improvements and necessary public services or facility expansions are  
 12 provided by the developer. On request of the developer, instead of  
 13 providing a credit toward the payment of development fees, the county  
 14 shall provide for reimbursement from the development fees paid from all  
 15 development that will use those public sites, improvements or necessary  
 16 public services or facility expansions of the actual costs of the required  
 17 or agreed to dedication of public sites, improvements or other necessary  
 18 public services or facility expansions included in the infrastructure  
 19 improvements plan and for which development fees are assessed, to the  
 20 extent the public sites, improvements and necessary public services or  
 21 facility expansions are provided by the developer. The developer of  
 22 residential dwelling units shall be required to pay the fees when  
 23 construction permits for the dwelling units are issued, or ~~at a later time~~  
 24 ~~if specified in the development agreement pursuant to section 11-1101. If~~  
 25 ~~a development agreement provides for development fees to be paid at a time~~  
 26 ~~later than the issuance of construction permits, the deferred development~~  
 27 ~~fees shall be paid not later than fifteen days after the issuance of a~~  
 28 ~~certificate of occupancy. The development agreement shall provide for the~~  
 29 ~~value of any deferred development fees to be supported by an appropriate~~  
 30 ~~security, including a surety bond, letter of credit or cash bond FIFTEEN~~  
 31 ~~DAYS AFTER THE CERTIFICATE OF OCCUPANCY IS ISSUED.~~

32 11. If a county requires as a condition of development approval the  
 33 construction or improvement of, contributions to or dedication of any  
 34 facilities that were not included in a previously adopted infrastructure  
 35 improvements plan, the county shall cause the infrastructure improvements  
 36 plan to be amended to include the facilities and shall provide a credit  
 37 toward the payment of development fees for the construction, improvement,  
 38 contribution or dedication of the facilities to the extent that the  
 39 facilities will substitute for or otherwise reduce the need for other  
 40 similar facilities in the infrastructure improvements plan for which  
 41 development fees were assessed. If a county requires as a condition of  
 42 development approval the set aside of active or passive open space, the  
 43 county shall issue a credit toward any development fees identified in the  
 44 infrastructure improvements plan to fund any park facilities or facility  
 45 expansion. On request of the individual or entity seeking development

1 approval, instead of issuing a credit toward the payment of development  
2 fees, the county shall provide for reimbursement from the development fees  
3 paid from all development that will use those facilities or facility  
4 expansions of the actual costs of the construction or improvement of,  
5 contributions to or dedication of the public facilities required as a  
6 condition of development approval.

7 12. The county shall forecast the contribution to be made in the  
8 future in cash, taxes, fees, assessments and all other sources of revenue  
9 derived from the property owner towards the capital costs of the necessary  
10 public service covered by the development fees.

11 13. If development fees are assessed against residential  
12 development, the county shall also assess development fees against  
13 commercial and industrial development. The county may distinguish between  
14 different categories of residential, commercial and industrial development  
15 in assessing the costs to the county of providing necessary public  
16 services to new development and in determining the amount of the  
17 development fees applicable to the category, except that the county may  
18 not distinguish residential developments on the basis of the size of the  
19 dwelling unit or number of bedrooms. If a county agrees to waive any of  
20 the development fees assessed on a development, the county shall reimburse  
21 the appropriate development fees accounts for the amount that was  
22 waived. The county shall provide notice of any such waiver to the  
23 advisory committee established pursuant to subsection I of this section.

24 14. In determining and assessing development fees applying to land  
25 in a community facilities district established under title 48, chapter 4,  
26 article 6, the county shall take into account all public infrastructure  
27 provided by the district and capital costs paid by the district for  
28 necessary public services and shall not assess a portion of the  
29 development fees based on the infrastructure or costs.

30 15. The county shall not assess or collect development fees from a  
31 school district or charter school, other than fees assessed or collected  
32 for streets and water and wastewater utility functions.

33 16. THE ADOPTION OF AN INCREASE IN A CURRENT DEVELOPMENT FEE  
34 PURSUANT TO SUBSECTION E OF THIS SECTION IS SUBJECT TO THE FOLLOWING:

35 (a) AN INCREASE OF LESS THAN TWENTY-FIVE PERCENT OF THE CURRENT  
36 DEVELOPMENT FEE SHALL BE IMPLEMENTED IN TWO EQUAL ANNUAL INSTALLMENTS  
37 BEGINNING ON THE DATE ON WHICH THE INCREASED DEVELOPMENT FEE IS ADOPTED.

38 (b) AN INCREASE OF MORE THAN TWENTY-FIVE PERCENT BUT LESS THAN  
39 FIFTY PERCENT OF THE CURRENT DEVELOPMENT FEE SHALL BE IMPLEMENTED IN FOUR  
40 EQUAL ANNUAL INSTALLMENTS BEGINNING ON THE DATE ON WHICH THE INCREASED  
41 DEVELOPMENT FEE IS ADOPTED.

42 (c) AN INCREASE IN A DEVELOPMENT FEE MAY NOT EXCEED FIFTY PERCENT  
43 OF THE CURRENT DEVELOPMENT FEE.

1 (d) A DEVELOPMENT FEE MAY NOT BE INCREASED MORE THAN ONCE EVERY  
2 FOUR YEARS AND MAY NOT BE INCREASED RETROACTIVELY IN A CURRENT FISCAL OR  
3 CALENDAR YEAR OR TO A PREVIOUS FISCAL OR CALENDAR YEAR.

4 C. Before assessing development fees, the county shall:

5 1. Give at least thirty days' advance notice of intention to assess  
6 new or increased development fees.

7 2. Release to the public and post on the county's website a written  
8 report of the land use assumptions and infrastructure improvements plan  
9 adopted pursuant to subsection E of this section.

10 3. Conduct a public hearing on the proposed development fees at any  
11 time after the expiration of the thirty-day notice of intention to assess  
12 development fees and at least thirty days before the scheduled date of  
13 adoption of the development fees. Within sixty days after the date of the  
14 public hearing on the proposed development fees, the county shall approve  
15 or disapprove the imposition of the development fees. A county may not  
16 adopt an ordinance, order or resolution approving development fees as an  
17 emergency measure.

18 D. Development fees assessed pursuant to this section are not  
19 effective for at least ninety days after formal adoption by the board of  
20 supervisors.

21 E. Before the adoption or amendment of development fees or  
22 amendment of the boundaries of a service area, the board of supervisors  
23 shall adopt or update the land use assumptions and infrastructure  
24 improvements plan for the designated service area. The county shall  
25 conduct a public hearing on the land use assumptions and infrastructure  
26 improvements plan at least thirty days before the adoption or update of  
27 the infrastructure improvements plan. The county shall release the  
28 infrastructure improvements plan to the public, post the infrastructure  
29 improvements plan on the county's website, including in the posting the  
30 land use assumptions, the time period of the projections, a description of  
31 the necessary public services included in the infrastructure improvements  
32 plan and a map of the service area to which the land use assumptions  
33 apply, make available to the public the documents used to prepare the land  
34 use assumptions and infrastructure improvements plan and provide public  
35 notice at least sixty days before the public hearing, subject to the  
36 following:

37 1. The land use assumptions and infrastructure improvements plan  
38 shall be approved or disapproved within sixty days after the public  
39 hearing on the land use assumptions and infrastructure improvements plan  
40 and at least thirty days before the public hearing on the report required  
41 by subsection C of this section. A county may not adopt an ordinance,  
42 order or resolution approving the land use assumptions or infrastructure  
43 improvements plan as an emergency measure.

1           2. An infrastructure improvements plan shall be developed by  
2 qualified professionals using generally accepted engineering and planning  
3 practices pursuant to subsection F of this section.

4           3. A county shall update the land use assumptions and  
5 infrastructure improvements plan at least every five years. The initial  
6 five-year period begins on the day the infrastructure improvements plan is  
7 adopted. The county shall review and evaluate the current land use  
8 assumptions and shall cause an update of the infrastructure improvements  
9 plan to be prepared pursuant to this section.

10          4. Within sixty days after completion of the updated land use  
11 assumptions and infrastructure improvements plan, the county shall  
12 schedule and provide notice of a public hearing to discuss and review the  
13 update and shall determine whether to amend the land use assumptions and  
14 infrastructure improvements plan.

15          5. A county shall hold a public hearing to discuss the proposed  
16 amendments to the land use assumptions, the infrastructure improvements  
17 plan or the development fees. The land use assumptions and the  
18 infrastructure improvements plan, including the amount of any proposed  
19 changes to the development fees per service unit, shall be made available  
20 to the public on or before the date of the first publication of the notice  
21 of the hearing on the amendments.

22          6. The hearing procedures prescribed in paragraph 1 of this  
23 subsection apply to a hearing on the amendment of land use assumptions, an  
24 infrastructure improvements plan or development fees. Within sixty days  
25 after the date of the public hearing on the amendments, a county shall  
26 approve or disapprove the amendments to the land use assumptions,  
27 infrastructure improvements plan or development fees. A county may not  
28 adopt an ordinance, order or resolution approving the amended land use  
29 assumptions, infrastructure improvements plan or development fees as an  
30 emergency measure.

31          7. The advisory committee established under subsection I of this  
32 section shall file its written comments on any proposed or updated land  
33 use assumptions, infrastructure improvements plan and development fees  
34 before the fifth business day before the date of the public hearing on the  
35 proposed or updated land use assumptions, infrastructure improvements plan  
36 and development fees.

37          8. If, at the time an update as prescribed in paragraph 3 of this  
38 subsection is required, the county determines that no changes to the land  
39 use assumptions, infrastructure improvements plan or development fees are  
40 needed, the county, as an alternative to the updating requirements of this  
41 subsection, may publish notice of the determination on the county's  
42 website that includes the following:

43           (a) A statement that the county has determined that no change to  
44 the land use assumptions, infrastructure improvements plan or development  
45 fees is necessary.

1 (b) A description and map of the service area in which an update  
2 has been determined to be unnecessary.

3 (c) A statement that by a specified date, which shall be at least  
4 sixty days after the date of publication of the first notice, a person may  
5 request to the county in writing that the county update the land use  
6 assumptions, infrastructure improvements plan or development fees.

7 (d) A statement identifying the person or entity to whom the  
8 written request for an update should be sent.

9 9. If, by the date specified pursuant to paragraph 8 of this  
10 subsection, a person requests in writing that the county update the land  
11 use assumptions, infrastructure improvements plan or development fees, the  
12 county shall cause, accept or reject an update of the land use  
13 assumptions, infrastructure improvements plan or development fees to be  
14 prepared pursuant to this section.

15 10. Notwithstanding the notice and hearing requirements for  
16 adoption of an infrastructure improvements plan, the county may amend an  
17 infrastructure improvements plan without a public hearing if the amendment  
18 addresses only elements of necessary public services in the existing  
19 infrastructure improvements plan and the changes to the plan will not,  
20 individually or cumulatively with other amendments adopted pursuant to  
21 this subsection, increase the level of service in the service area or  
22 cause an increase in development fees that is greater than five percent  
23 when new or modified development fees are assessed pursuant to this  
24 section. The county shall provide notice of the amendment at least thirty  
25 days before adoption, shall post the amendment on the county's website and  
26 shall provide notice to the advisory committee established pursuant to  
27 subsection I of this section that the amendment complies with this  
28 subsection.

29 F. For each necessary public service that is the subject of  
30 development fees, the infrastructure improvements plan shall include:

31 1. A description of the existing necessary public services in the  
32 service area and the costs to upgrade, update, improve, expand, correct or  
33 replace those necessary public services to meet existing needs and usage  
34 and stricter safety, efficiency, environmental or regulatory standards.  
35 The description shall be prepared by qualified professionals who are  
36 licensed in this state, as applicable.

37 2. An analysis of the total capacity, the level of current usage  
38 and commitments for usage of capacity of the existing necessary public  
39 services. The analysis shall be prepared by qualified professionals who  
40 are licensed in this state, as applicable.

41 3. A description of all or the parts of the necessary public  
42 services or facility expansions and their costs necessitated by and  
43 attributable to new development in the service area based on the approved  
44 land use assumptions, including a forecast of the cost of infrastructure,  
45 improvements, real property, financing, engineering and architectural

1 services. The description shall be prepared by qualified professionals  
2 who are licensed in this state, as applicable.

3 4. A table that establishes the specific level or quantity of use,  
4 consumption, generation or discharge of a service unit for each category  
5 of necessary public services or facility expansions and an equivalency or  
6 conversion table that establishes the ratio of a service unit to various  
7 types of land uses, including residential, commercial and industrial.

8 5. A description of all the costs necessitated by ongoing  
9 maintenance and operations of the necessary public services once  
10 construction is completed and a description of the source of revenue to be  
11 used to fund the maintenance and operations.

12 6. The total number of projected service units necessitated by and  
13 attributable to new development in the service area based on the approved  
14 land use assumptions and calculated pursuant to generally accepted  
15 engineering and planning criteria.

16 7. The projected demand for necessary public services or facility  
17 expansions required by new service units for a period of not more than ten  
18 years.

19 8. A forecast of revenues generated by new service units other than  
20 development fees, including estimated state shared revenue, highway user  
21 revenue, federal revenue, ad valorem property taxes, construction  
22 contracting or similar excise taxes and the capital recovery portion of  
23 utility fees attributable to development based on the approved land use  
24 assumptions, and a plan to include these contributions in determining the  
25 extent of the burden imposed by the development as required in subsection  
26 B, paragraph 12 of this section.

27 G. A county's infrastructure improvements plan may identify  
28 necessary public services or facility expansions that the county plans to  
29 construct beyond the time period provided for in subsection J, paragraph 3  
30 of this section but may not include the costs of those necessary public  
31 services or facility expansions in the calculation of development fees.

32 H. A county's development fees ordinance shall provide:

33 1. That new development fees or an increased portion of modified  
34 development fees may not be assessed against a development for twenty-four  
35 months after the date that the county issues the final approval for a  
36 commercial, industrial or multifamily development or the date that the  
37 ~~first building permit~~ FINAL SUBDIVISION PLAT APPROVAL is issued for a  
38 residential development pursuant to an approved site plan or subdivision  
39 plat, only if subsequent changes are not made to the approved site plan or  
40 subdivision plat that would increase the number of service units. If the  
41 number of service units increases, the new or increased portion of  
42 modified development fees shall be limited to the amount attributable to  
43 the additional service units. The period is not extended by a renewal or  
44 amendment of the site plan or the final subdivision plat that was the  
45 subject of the final approval. The county shall issue, on request, a

1 written statement of the development fees schedule applicable to the  
2 development. If, after the date of the county's final approval of a  
3 development, the county reduces the development fees assessed on  
4 development, the reduced fees shall apply to the development.

5 2. A process for a development to request an alternative  
6 development fee calculation or change in category of development that  
7 appears on an adopted development fee schedule based on a projection that  
8 the actual burdens and costs associated with the county's provision of  
9 necessary public services or facility expansions to the development that  
10 are to be paid by development fees will differ substantially from those  
11 costs projected by the county or will be substantially less than the  
12 amount projected to be paid by development fees. The county manager or  
13 the county manager's designee shall review the request and make a  
14 determination as to the development fee to be assessed. The assessed  
15 development fee shall have a substantial nexus to the actual burdens and  
16 costs associated with providing the necessary public services or facility  
17 expansions to that development that are to be funded by development fees.  
18 The determination of the county manager is appealable to the board of  
19 supervisors.

20 I. A county shall do one of the following:

21 1. Before the adoption of the proposed or updated land use  
22 assumptions, infrastructure improvements plan and development fees as  
23 prescribed in subsection E of this section, appoint an infrastructure  
24 improvements advisory committee, subject to the following requirements:

25 (a) The advisory committee shall be composed of at least five  
26 members who are appointed by the board of supervisors. At least fifty  
27 percent of the members of the advisory committee must be representatives  
28 of the real estate, development or building industries, of which at least  
29 one member of the committee must be from the home building industry.  
30 Members may not be employees or officials of the county.

31 (b) The advisory committee shall serve in an advisory capacity and  
32 shall:

33 (i) Advise the county in adopting land use assumptions and in  
34 determining whether the assumptions are in conformance with the general  
35 plan of the county.

36 (ii) Review the infrastructure improvements plan and file written  
37 comments.

38 (iii) Monitor and evaluate implementation of the infrastructure  
39 improvements plan.

40 (iv) Every year file reports with respect to the progress of the  
41 infrastructure improvements plan and the collection and expenditures of  
42 development fees and report to the county any perceived inequities in  
43 implementing the infrastructure improvements plan or assessing the  
44 development fees.

1 (v) Advise the county of the need to update or revise the land use  
2 assumptions, infrastructure improvements plan and development fees.

3 (c) The county shall make available to the advisory committee any  
4 professional reports with respect to developing and implementing the  
5 infrastructure improvements plan.

6 (d) The county shall adopt procedural rules for the advisory  
7 committee to follow in carrying out the advisory committee's duties.

8 2. Provide for a biennial certified audit of the county's land use  
9 assumptions, infrastructure improvements plan and development fees. An  
10 audit pursuant to this paragraph shall be conducted by one or more  
11 qualified professionals who are not employees or officials of the county  
12 and who did not prepare the infrastructure improvements plan. The audit  
13 shall review the progress of the infrastructure improvements plan,  
14 including the collection and expenditures of development fees for each  
15 project in the infrastructure improvements plan, and evaluate any  
16 inequities in implementing the infrastructure improvements plan or  
17 imposing the development fees. The county shall post the findings of the  
18 audit on the county's website and shall conduct a public hearing on the  
19 audit within sixty days after the release of the audit to the public.

20 J. On written request, an owner of real property for which  
21 development fees have been paid after December 31, 2020 is entitled to a  
22 refund of the development fees or any part of the development fees if:

23 1. Pursuant to subsection B, paragraph 6 of this section, existing  
24 facilities are available and service is not provided.

25 2. The county, after collecting the fees to construct a facility  
26 when service is not available, has failed to complete construction within  
27 the time period identified in the infrastructure improvements plan, but in  
28 no event later than the time period specified in paragraph 3 of this  
29 subsection.

30 3. For development fees other than development fees for water or  
31 wastewater facilities, any part of the development fees is not spent as  
32 authorized by this section within ten years after the fees have been paid  
33 or, for development fees for water or wastewater facilities, any part of  
34 the development fees is not spent as authorized by this section within  
35 fifteen years after the development fees have been paid.

36 K. If the development fees were collected for the construction of  
37 all or a portion of a specific item of infrastructure, and on completion  
38 of the infrastructure the county determines that the actual cost of  
39 construction was less than the forecasted cost of construction on which  
40 the development fees were based ~~and the difference between the actual and~~  
41 ~~estimated cost is greater than ten percent~~, the current owner may receive  
42 a refund of the portion of the development fees equal to the difference  
43 between the development fees paid and the development fees that would have  
44 been due if the development fees had been calculated at the actual  
45 construction cost.

1 L. A refund shall include any interest earned by the county from  
2 the date of collection to the date of refund on the amount of the refunded  
3 fees. All refunds shall be paid to the owner of record of the property at  
4 the time the refund is paid. If the development fees are paid by a  
5 governmental entity, the refund shall be paid to the governmental entity.

6 M. Development fees that were adopted before January 1, 2017 may  
7 continue to be assessed only to the extent that the development fees will  
8 be used to provide a necessary public service for which development fees  
9 can be assessed pursuant to this section and shall be replaced by  
10 development fees imposed under this section on or before January 1, 2021.  
11 Any county having development fees that have not been replaced under this  
12 section on or before January 1, 2021 may not collect development fees  
13 until the development fees have been replaced with fees that comply with  
14 this section. Development fees adopted or amended by a county after  
15 January 1, 2017 shall comply with this section. Any development fees  
16 monies collected before January 1, 2017 remaining in a development fees  
17 account:

18 1. Shall be used ~~towards~~ TOWARD the same category of necessary  
19 public services as authorized by this section.

20 2. ~~And~~ THAT WERE collected for a purpose not authorized by this  
21 section shall be used for the purpose for which the development fees were  
22 collected on or before January 1, 2024, and after which, if not spent,  
23 shall be distributed equally among the categories of necessary public  
24 services authorized by this section.

25 N. A moratorium may not be placed on development for the sole  
26 purpose of awaiting completion of all or any part of the process necessary  
27 to develop, adopt or update development fees.

28 O. In any judicial action interpreting this section all powers  
29 conferred on a county by this section shall be narrowly construed to  
30 ensure that development fees are not used to impose on new residents a  
31 burden all taxpayers of a county should bear equally.

32 P. Each county that assesses development fees shall submit an  
33 annual report accounting for the collection and use of the fees for each  
34 service area. The annual report shall include the following:

35 1. The amount assessed by the county for each type of development  
36 fee.

37 2. The balance of each fund maintained for each type of development  
38 fee assessed as of the beginning and end of the fiscal year.

39 3. The amount of interest or other earnings on the monies in each  
40 fund as of the end of the fiscal year.

41 4. The amount of development fee monies used to repay:

42 (a) Bonds issued by the county to pay the cost of a necessary  
43 public service that is the subject of a development fees assessment,  
44 including the amount needed to repay the debt service obligations on each

1 facility for which development fees have been identified as the source of  
2 funding and the time frames in which the debt service will be repaid.

3 (b) Monies advanced by the county from funds other than the funds  
4 established for development fees in order to pay the cost of a necessary  
5 public service that is the subject of a development fees assessment, the  
6 total amount advanced by the county for each facility, the source of the  
7 monies advanced and the terms under which the monies will be repaid to the  
8 county.

9 5. The amount of development fees monies spent on each necessary  
10 public service or facility expansion that is the subject of a development  
11 fees assessment and the physical location of each capital improvement  
12 project.

13 6. The amount of development fees monies spent for each purpose  
14 other than a necessary public service or facility expansion that is the  
15 subject of a development fees assessment.

16 Q. Within ninety days following the end of each fiscal year, each  
17 county shall submit a copy of the annual report to the clerk of the board  
18 of supervisors and post the annual report on the county's website. Copies  
19 shall be made available to the public on request. The annual report may  
20 contain financial information that has not been audited.

21 R. A county that fails to file the report and post the annual  
22 report on the county's website as required by this section shall not  
23 collect development fees until the report is filed and posted.

24 S. Any action to collect development fees shall be commenced within  
25 two years after the obligation to pay the development fees accrues.

26 T. A county may continue to assess development fees adopted before  
27 January 1, 2017 for any facility that was financed before June 1, 2016 if:

28 1. Development fees were pledged to repay debt service obligations  
29 related to the construction of the facility.

30 2. After January 1, 2018, any development fees collected under this  
31 subsection are used solely for the payment of principal and interest on  
32 the portion of the bonds, notes or other debt service obligations issued  
33 before June 1, 2016 to finance construction of the facility.

34 U. Through January 1, 2018, development fees adopted before January  
35 1, 2017 may be used to finance construction of a facility and may be  
36 pledged to repay debt service obligations if:

37 1. The facility that is being financed is a facility that is  
38 described under subsection ~~V~~ W, paragraph 7, subdivision (a), (b),  
39 (c), ~~OR~~ (d) ~~or (e)~~ of this section.

40 2. The facility was included in an infrastructure improvements plan  
41 adopted before June 1, 2016.

42 3. The development fees are used for the payment of principal and  
43 interest on the portion of the bonds, notes or other debt service  
44 obligations issued to finance construction of the necessary public

1 services or facility expansions identified in the infrastructure  
2 improvements plan.

3 V. NOTWITHSTANDING ANY OTHER LAW, A COUNTY MAY NOT ASSESS A  
4 DEVELOPMENT FEE ON THE DEVELOPMENT OF AN ACCESSORY DWELLING UNIT. FOR THE  
5 PURPOSES OF THIS SUBSECTION, "ACCESSORY DWELLING UNIT" HAS THE SAME  
6 MEANING PRESCRIBED IN SECTION 11-810.01.

7 ~~V.~~ W. For the purposes of this section:

8 1. "Dedication" means the actual conveyance date or the date an  
9 improvement, facility or real or personal property is placed into service,  
10 whichever occurs first.

11 2. "Development" means:

12 (a) The subdivision of land.

13 (b) The construction, reconstruction, conversion, structural  
14 alteration, relocation or enlargement of any structure that adds or  
15 increases the number of service units.

16 (c) Any use or extension of the use of land that increases the  
17 number of service units.

18 3. "Facility expansion" means the expansion of the capacity of an  
19 existing facility that serves the same function as an otherwise new  
20 necessary public service in order that the existing facility may serve new  
21 development. Facility expansion does not include the repair, maintenance,  
22 modernization or expansion of an existing facility to better serve  
23 existing development.

24 4. "Final approval" means, for nonresidential or multifamily  
25 development, the approval of a site plan or, if no site plan is submitted  
26 for the development, the approval of a final subdivision plat.

27 5. "Infrastructure improvements plan" means a written plan that  
28 identifies each necessary public service or facility expansion that is  
29 proposed to be the subject of development fees and otherwise complies with  
30 the requirements of this section and may be the county's capital  
31 improvements plan.

32 6. "Land use assumptions" means projections of changes in land  
33 uses, densities, intensities and population for a specified service area  
34 over a period of at least ten years and pursuant to the general plan of  
35 the county.

36 7. "Necessary public service" means any of the following facilities  
37 that have a life expectancy of three or more years and that are owned and  
38 operated by or on behalf of the county:

39 (a) Water facilities, including the supply, transportation,  
40 treatment, purification and distribution of water, and any appurtenances  
41 for those facilities.

42 (b) Wastewater facilities, including collection, interception,  
43 transportation, treatment and disposal of wastewater, and any  
44 appurtenances for those facilities.

1 (c) Street facilities located in the service area, including  
2 arterial or collector streets or roads that have been designated on an  
3 officially adopted plan of the county, traffic signals and rights-of-way  
4 and improvements thereon. Improvements to rights-of-way do not include  
5 streetcars, railways or other forms of transportation and their  
6 corresponding tracks.

7 (d) Public safety facilities, including all appurtenances,  
8 equipment and vehicles. Public safety facilities do not include a  
9 facility or portion of a facility that is used to replace services that  
10 were once provided elsewhere in the county, vehicles and equipment used to  
11 provide administrative services, helicopters or airplanes, paramilitary  
12 vehicles, court and judicial facilities, facilities that are used for  
13 training firefighters or officers from more than one station or substation  
14 or jail, correctional or detention facilities.

15 ~~(e) Neighborhood parks and recreational facilities on real property~~  
16 ~~up to thirty acres in area, or parks and recreational facilities larger~~  
17 ~~than thirty acres if the facilities provide a direct benefit to the~~  
18 ~~development. Parks and recreational facilities do not include vehicles,~~  
19 ~~equipment of that portion of any facility that is used for amusement~~  
20 ~~parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural~~  
21 ~~facilities, bandstand and orchestra facilities, bathhouses, boathouses,~~  
22 ~~clubhouses, community centers greater than three thousand square feet in~~  
23 ~~floor area, environmental education centers, equestrian facilities,~~  
24 ~~trails, golf course facilities, greenhouses, lakes, museums, theme parks,~~  
25 ~~water reclamation or riparian areas, wetlands, zoo facilities or similar~~  
26 ~~recreational facilities, but may include swimming pools and equipment or~~  
27 ~~improvements constituting accessory or incidental amenities to a park or~~  
28 ~~recreational facility allowed under this section.~~

29 ~~(f)~~ (e) Any facility that was financed and that meets all of the  
30 requirements prescribed in subsection T of this section.

31 8. "Qualified professional" means a professional engineer,  
32 surveyor, financial analyst or planner providing services within the scope  
33 of the person's license, education or experience.

34 9. "Service area" means any specified area within the boundaries of  
35 a county in which development will be served by necessary public services  
36 or facility expansions and within which a substantial nexus exists between  
37 the necessary public services or facility expansions and the development  
38 being served as prescribed in the infrastructure improvements plan.

39 10. "Service unit" means a standardized measure of consumption,  
40 use, generation or discharge attributable to an individual unit of  
41 development calculated using data specific to the service area in which  
42 the facility will be located and pursuant to generally accepted  
43 engineering or planning standards for a particular category of necessary  
44 public services or facility expansions.