

REFERENCE TITLE: municipal development fees; proportional fees

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

HB 4066

Introduced by
Representative Olson

AN ACT

AMENDING SECTION 9-463.05, 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, 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~~ NOT 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.

16 11. If a municipality requires as a condition of development
17 approval the construction or improvement of, contributions to or
18 dedication of any facilities that were not included in a previously
19 adopted infrastructure improvements plan, the municipality shall cause the
20 infrastructure improvements plan to be amended to include the facilities
21 and shall provide a credit toward the payment of a development fee for the
22 construction, improvement, contribution or dedication of the facilities to
23 the extent that the facilities will substitute for or otherwise reduce the
24 need for other similar facilities in the infrastructure improvements plan
25 for which development fees were assessed.

26 12. The municipality shall forecast the contribution to be made in
27 the future in cash or by taxes, fees, assessments or other sources of
28 revenue derived from the property owner towards the capital costs of the
29 necessary public service covered by the development fee and shall include
30 these contributions in determining the extent of the burden imposed by the
31 development. Beginning August 1, 2014, for purposes of calculating the
32 required offset to development fees pursuant to this subsection, if a
33 municipality imposes a construction contracting or similar excise tax rate
34 in excess of the percentage amount of the transaction privilege tax rate
35 imposed on the majority of other transaction privilege tax
36 classifications, the entire excess portion of the construction contracting
37 or similar excise tax shall be treated as a contribution to the capital
38 costs of necessary public services provided to development for which
39 development fees are assessed, unless the excess portion was already taken
40 into account for such purpose pursuant to this subsection.

41 13. If development fees are assessed by a municipality, the fees
42 shall be assessed against commercial, residential and industrial
43 development, except that the municipality may distinguish between
44 different categories of residential, commercial and industrial development
45 in assessing the costs to the municipality of providing necessary public

1 services to new development and in determining the amount of the
2 development fee applicable to the category of development. If a
3 municipality agrees to waive any of the development fees assessed on a
4 development, the municipality shall reimburse the appropriate development
5 fee accounts for the amount that was waived. The municipality shall
6 provide notice of any such waiver to the advisory committee established
7 pursuant to subsection G of this section within thirty days.

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

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

31 D. Before the adoption or amendment of a development fee, the
32 governing body of the municipality shall adopt or update the land use
33 assumptions and infrastructure improvements plan for the designated
34 service area. The municipality shall conduct a public hearing on the land
35 use assumptions and infrastructure improvements plan at least thirty days
36 before the adoption or update of the plan. The municipality shall release
37 the plan to the public, post the plan on its website or the website of an
38 association of cities and towns if the municipality does not have a
39 website, including in the posting its land use assumptions, the time
40 period of the projections, a description of the necessary public services
41 included in the infrastructure improvements plan and a map of the service
42 area to which the land use assumptions apply, make available to the public
43 the documents used to prepare the assumptions and plan and provide public
44 notice at least sixty days before the public hearing, subject to the
45 following:

1 1. The land use assumptions and infrastructure improvements plan
2 shall be approved or disapproved within sixty days after the public
3 hearing on the land use assumptions and infrastructure improvements plan
4 and at least thirty days before the public hearing on the report required
5 by subsection C of this section. A municipality shall not adopt an
6 ordinance, order or resolution approving the land use assumptions or
7 infrastructure improvements plan as an emergency measure.

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

11 3. A municipality shall update the land use assumptions and
12 infrastructure improvements plan at least every five years. The initial
13 ~~five year~~ FIVE-YEAR period begins on the day the infrastructure
14 improvements plan is adopted. The municipality shall review and evaluate
15 its current land use assumptions and shall cause an update of the
16 infrastructure improvements plan to be prepared pursuant to this section.

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

21 5. A municipality shall hold a public hearing to discuss the
22 proposed amendments to the land use assumptions, the infrastructure
23 improvements plan or the development fee. The land use assumptions and
24 the infrastructure improvements plan, including the amount of any proposed
25 changes to the development fee per service unit, shall be made available
26 to the public on or before the date of the first publication of the notice
27 of the hearing on the amendments.

28 6. The notice and hearing procedures prescribed in paragraph 1 of
29 this subsection apply to a hearing on the amendment of land use
30 assumptions, an infrastructure improvements plan or a development fee.
31 Within sixty days after the date of the public hearing on the amendments,
32 a municipality shall approve or disapprove the amendments to the land use
33 assumptions, infrastructure improvements plan or development fee. A
34 municipality shall not adopt an ordinance, order or resolution approving
35 the amended land use assumptions, infrastructure improvements plan or
36 development fee as an emergency measure.

37 7. The advisory committee established under subsection G of this
38 section shall file its written comments on any proposed or updated land
39 use assumptions, infrastructure improvements plan and development fees
40 before the fifth business day before the date of the public hearing on the
41 proposed or updated assumptions, plan and fees.

42 8. If, at the time an update as prescribed in paragraph 3 of this
43 subsection is required, the municipality determines that no changes to the
44 land use assumptions, infrastructure improvements plan or development fees
45 are needed, the municipality may as an alternative to the updating

requirements of this subsection publish notice of its determination on its website and include the following:

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

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

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

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

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

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

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

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

2. An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public

1 services, which shall be prepared by qualified professionals licensed in
2 this state, as applicable.

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

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

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

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

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

30 F. A municipality's development fee ordinance shall provide that a
31 new development fee or an increased portion of a modified development fee
32 shall not be assessed against a development for twenty-four months after
33 the date that the municipality issues the final approval for a commercial,
34 industrial or multifamily development or the date that the first building
35 permit is issued for a residential development pursuant to an approved
36 site plan or subdivision plat, provided that no subsequent changes are
37 made to the approved site plan or subdivision plat that would increase the
38 number of service units. If the number of service units increases, the
39 new or increased portion of a modified development fee shall be limited to
40 the amount attributable to the additional service units. The twenty-four
41 month period shall not be extended by a renewal or amendment of the site
42 plan or the final subdivision plat that was the subject of the final
43 approval. The municipality shall issue, on request, a written statement
44 of the development fee schedule applicable to the development. If, after
45 the date of the municipality's final approval of a development, the

1 municipality reduces the development fee assessed on development, the
2 reduced fee shall apply to the development.

3 G. A municipality shall do one of the following:

4 1. Before the adoption of proposed or updated land use assumptions,
5 infrastructure improvements plan and development fees as prescribed in
6 subsection D of this section, the municipality shall appoint an
7 infrastructure improvements advisory committee, subject to the following
8 requirements:

9 (a) The advisory committee shall be composed of at least five
10 members who are appointed by the governing body of the municipality. At
11 least fifty ~~per cent~~ PERCENT of the members of the advisory committee must
12 be representatives of the real estate, development or building industries,
13 of which at least one member of the committee must be from the home
14 building industry. Members shall not be employees or officials of the
15 municipality.

16 (b) The advisory committee shall serve in an advisory capacity and
17 shall:

18 (i) Advise the municipality in adopting land use assumptions and in
19 determining whether the assumptions are in conformance with the general
20 plan of the municipality.

21 (ii) Review the infrastructure improvements plan and file written
22 comments.

23 (iii) Monitor and evaluate implementation of the infrastructure
24 improvements plan.

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

29 (v) Advise the municipality of the need to update or revise the
30 land use assumptions, infrastructure improvements plan and development
31 fee.

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

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

37 2. In lieu of creating an advisory committee pursuant to paragraph
38 1 of this subsection, provide for a biennial certified audit of the
39 municipality's land use assumptions, infrastructure improvements plan and
40 development fees. An audit pursuant to this paragraph shall be conducted
41 by one or more qualified professionals who are not employees or officials
42 of the municipality and who did not prepare the infrastructure
43 improvements plan. The audit shall review the progress of the
44 infrastructure improvements plan, including the collection and
45 expenditures of development fees for each project in the plan, and

1 evaluate any inequities in implementing the plan or imposing the
2 development fee. The municipality shall post the findings of the audit on
3 the municipality's website or the website of an association of cities and
4 towns if the municipality does not have a website and shall conduct a
5 public hearing on the audit within sixty days of the release of the audit
6 to the public.

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

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

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

17 3. For a development fee other than a development fee for water or
18 wastewater facilities, any part of the development fee is not spent as
19 authorized by this section within ten years after the fee has been paid
20 or, for a development fee for water or wastewater facilities, any part of
21 the development fee is not spent as authorized by this section within
22 fifteen years after the fee has been paid.

23 I. If the development fee was collected for the construction of all
24 or a portion of a specific item of infrastructure, and on completion of
25 the infrastructure the municipality determines that the actual cost of
26 construction was less than the forecasted cost of construction on which
27 the development fee was based and the difference between the actual and
28 estimated cost is greater than ten ~~per cent~~ PERCENT, the current owner may
29 receive a refund of the portion of the development fee equal to the
30 difference between the development fee paid and the development fee that
31 would have been due if the development fee had been calculated at the
32 actual construction cost.

33 J. A refund shall include any interest earned by the municipality
34 from the date of collection to the date of refund on the amount of the
35 refunded fee. All refunds shall be made to the record owner of the
36 property at the time the refund is paid. If the development fee is paid
37 by a governmental entity, the refund shall be paid to the governmental
38 entity.

39 K. A development fee that was adopted before January 1, 2012 may
40 continue to be assessed only to the extent that it will be used to provide
41 a necessary public service for which development fees can be assessed
42 pursuant to this section and shall be replaced by a development fee
43 imposed under this section on or before August 1, 2014. Any municipality
44 having a development fee that has not been replaced under this section on
45 or before August 1, 2014 shall not collect development fees until the

1 development fee has been replaced with a fee that complies with this
2 section. Any development fee monies collected before January 1, 2012
3 remaining in a development fee account:

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

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

11 L. A moratorium shall not be placed on development for the sole
12 purpose of awaiting completion of all or any part of the process necessary
13 to develop, adopt or update development fees.

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

18 N. Each municipality that assesses development fees shall submit an
19 annual report accounting for the collection and use of the fees for each
20 service area. The annual report shall include the following:

21 1. The amount assessed by the municipality for each type of
22 development fee.

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

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

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

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

33 (b) Monies advanced by the municipality from funds other than the
34 funds established for development fees in order to pay the cost of a
35 capital improvement project that is the subject of a development fee
36 assessment, the total amount advanced by the municipality for each
37 facility, the source of the monies advanced and the terms under which the
38 monies will be repaid to the municipality.

39 5. The amount of development fee monies spent on each capital
40 improvement project that is the subject of a development fee assessment
41 and the physical location of each capital improvement project.

42 6. The amount of development fee monies spent for each purpose
43 other than a capital improvement project that is the subject of a
44 development fee assessment.

1 O. Within ninety days following the end of each fiscal year, each
2 municipality shall submit a copy of the annual report to the city clerk
3 and post the report on the municipality's website or the website of an
4 association of cities and towns if the municipality does not have a
5 website. Copies shall be made available to the public on request. The
6 annual report may contain financial information that has not been audited.

7 P. A municipality that fails to file the report and post the report
8 on the municipality's website or the website of an association of cities
9 and towns if the municipality does not have a website as required by this
10 section shall not collect development fees until the report is filed and
11 posted.

12 Q. Any action to collect a development fee shall be commenced
13 within two years after the obligation to pay the fee accrues.

14 R. A municipality may continue to assess a development fee adopted
15 before January 1, 2012 for any facility that was financed before June 1,
16 2011 if:

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

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

23 S. Through August 1, 2014, a development fee adopted before January
24 1, 2012 may be used to finance construction of a facility and may be
25 pledged to repay debt service obligations if:

26 1. The facility that is being financed is a facility that is
27 described under subsection T, paragraph 7, subdivisions (a) through (g) of
28 this section.

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

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

36 T. NOTWITHSTANDING ANY OTHER LAW, A MUNICIPALITY MAY ONLY IMPOSE A
37 DEVELOPMENT FEE ON A SINGLE SERVICE UNIT FOR THE DEVELOPMENT OF A
38 NECESSARY PUBLIC SERVICE THAT IS PROPORTIONATE TO THE AMOUNT OF USE OF THE
39 NECESSARY PUBLIC SERVICE THAT THE SINGLE SERVICE UNIT WILL USE OR CONSUME.
40 A MUNICIPALITY MAY NOT IMPOSE A DEVELOPMENT FEE ON A DEVELOPER OF A SINGLE
41 SERVICE UNIT THAT WILL FINANCE THE IMPROVEMENT OF A NECESSARY PUBLIC
42 SERVICE IN AN AMOUNT THAT IS MORE THAN THE AMOUNT REQUIRED TO MEET THE
43 INCREASED USE OF THE NECESSARY PUBLIC SERVICE RESULTING FROM THE
44 DEVELOPMENT OF THE SINGLE SERVICE UNIT.

1 ~~F.~~ U. For the purposes of this section:

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

5 2. "Development" means:

6 (a) The subdivision of land.

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

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

12 3. "Facility expansion" means the expansion of the capacity of an
13 existing facility that serves the same function as an otherwise new
14 necessary public service in order that the existing facility may serve new
15 development. Facility expansion does not include the repair, maintenance,
16 modernization or expansion of an existing facility to better serve
17 existing development.

18 4. "Final approval" means:

19 (a) For a nonresidential or multifamily development, the approval
20 of a site plan or, if no site plan is submitted for the development, the
21 approval of a final subdivision plat.

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

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

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

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

36 (a) Water facilities, including the supply, transportation,
37 treatment, purification and distribution of water, and any appurtenances
38 for those facilities.

39 (b) Wastewater facilities, including collection, interception,
40 transportation, treatment and disposal of wastewater, and any
41 appurtenances for those facilities.

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

1 (d) Library facilities of up to ten thousand square feet that
2 provide a direct benefit to development, not including equipment, vehicles
3 or appurtenances.

4 (e) Street facilities located in the service area, including
5 arterial or collector streets or roads that have been designated on an
6 officially adopted plan of the municipality, traffic signals and
7 rights-of-way and improvements thereon.

8 (f) Fire and police facilities, including all appurtenances,
9 equipment and vehicles. Fire and police facilities do not include a
10 facility or portion of a facility that is used to replace services that
11 were once provided elsewhere in the municipality, vehicles and equipment
12 used to provide administrative services, helicopters or airplanes or a
13 facility that is used for training firefighters or officers from more than
14 one station or substation.

15 (g) 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. Park and recreational facilities do not include vehicles,
19 equipment or 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, golf
24 course facilities, greenhouses, lakes, museums, theme parks, water
25 reclamation or riparian areas, wetlands, zoo facilities or similar
26 recreational facilities, but may include swimming pools.

27 (h) Any facility that was financed and that meets all of the
28 requirements prescribed in subsection R of this section.

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

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

38 10. "Service unit" means a standardized measure of consumption, use,
39 generation or discharge attributable to an individual unit of development
40 calculated pursuant to generally accepted engineering or planning
41 standards for a particular category of necessary public services or
42 facility expansions.