

This email is an answer to your earlier inquiry about the district's ability to continue to utilize impact fees now that the last bond for district improvements has been paid off. Specifically your email to me stated:

“Our bond for the middle school will be paid off in a year or two. Currently we are collecting impact fees. There is a great deal of building going on in Raymond and the board is wondering what they need to do to continue to collect impact fees moving forward.”

The short answer is to work closely with the town and town planning board to make certain that the district is receiving and applying available impact fees for the schools to either, 1) approved capital expenditures on the district and town's Capital Improvement Plan, or 2) public facilities to be constructed by the district.

The Raymond Administrative rules Sec 197-7.1 cover the assessment collection and expenditure of impact fees. In general, in accordance with the law permitting town's to assess and collect impact fees (RSA 674:21) new development may be assessed the growth-related facility costs” caused by new development. F.(6). The town may assess an “equitable share of [the] growth-related cost of public facility capacity to new development in proportion to the facility demands created by that development.” F.(2). In addition, as noted in town and school district's “Capital Improvements Program” it is in the communities interest not to allow the town's growth rate to necessitate an excessive expenditure of public funds in order “to maintain adequate municipal and school facility standards...”. F.(4). With these findings by the Town the administrative rule /ordinance states that impact fees collected may be spent if they are used solely for the reimbursement of the school district “for the cost of public capital improvements for which they were collected or to recoup the cost of capital improvements made by the Town or District in anticipation of the needs for which the impact fee was collected.” L.(3). Thus, to the extent the town's impact fee schedule contemplates either funding items on the district's capital improvement program or the collection of fees in anticipation of future growth-related expansion of district facilities, the district can utilize the fees collected for those purposes to complete the planned capital improvements. In other words if the fees are being collected to in part fund the district's capital improvement program the fees collected can be used to contribute to the funding the cost of the improvements on that plan.

P.S. Since there is no certainty regarding payment of future project costs now that the bond has been paid off, I suggest that whenever possible the collection of impact fees going forward be accepted and expended as unanticipated revenue under RSA 198:20-b. If impact fees are budgeted as anticipated revenue and they are not forthcoming for any reason it can prevent a project from going forward. To avoid that, accepting the funds as unanticipated revenue helps assure the district's budget is not adversely impacted or projects do not get completed because of a glitch in the receipt of impact fees from the town.