



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2005 Senate Bill 681**

**Senate Amendment 2**

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*Current law* permits a city, village, town, or county to impose an impact fee on a developer to pay the capital costs to construct certain public facilities that are necessary to accommodate land development. Such public facilities include highways; facilities for treating sewage, storm waters, and surface waters; facilities for pumping, storing, and distributing water; parks, playgrounds, and other recreational facilities; fire protection, emergency medical, and law enforcement facilities; and libraries.

*2005 Senate Bill 681* eliminates counties from the governmental entities that may impose impact fees and deletes “other recreational facilities” from the list of approved public facilities for which municipalities may levy impact fees. The bill also requires municipalities collecting impact fees or other fees to keep separate accounts for each fee collected and to use generally accepted accounting principals (GAAP) to track and report the collection and use of fees.

*Senate Amendment 2* eliminates the requirement that municipalities track and report the collection and use of fees according to GAAP and instead it requires that the revenue and expenditure totals for each impact fee imposed by a municipality be reported in the annual municipal budget summary. Municipalities must still establish separate accounts for impact fee revenues. The amendment also prohibits municipalities or counties from levying fees or charges as a condition of approval of a development under ch. 236, Stats. (plat approvals), and requires any public improvement required by a municipality or county as a condition of approval under this chapter to bear a rational relationship to a need resulting from the applied for subdivision or other division of land.

Senate Amendment 2 was unanimously adopted and Senate Bill 681 was passed, as amended by the Senate, by a vote of Ayes, 18; Noes, 12, on April 27, 2006.

DWS:wu