GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
Office of Planning & Environmental Management

Process for Discontinuing a local Impact Fee Program

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

1. The local government should consult with their city or county attorney to ensure compliance with DIFA requirements regarding refunds of unencumbered impact fees and expenditure of encumbered funds as provided by DIFA.

2. The local government must, through formal resolution, repeal the Impact Fee Ordinance that was adopted at the inception of the Impact Fee Program. This is the legal step necessary to stop further collection of fees.

3. Once the resolution has been adopted, the local government will need to notify the Department of Community Affairs (DCA) of this action and attach a copy of the signed, executed resolution and an approved copy of the minutes of the meeting in which the resolution was adopted.

4a. The local government shall continue submitting Annual Capital Improvement Element (CIE) Updates until all collected, unencumbered impact fees have been refunded and all collected, encumbered fees have been expended on programmed improvements in the category(ies) and service areas for which they were collected.

4b. Once a final Annual CIE Update has been provided to DCA showing zero balances for all impact fee fund categories (indicating compliance with DIFA's refund/expenditure requirements) has been approved by DCA, the Department will remove the annual reporting requirements that were necessary to remain in compliance with DIFA and retain qualifications for state-administered financial assistance (QLG or Qualified Local Government status).

5. The local government may consider amending their comprehensive plan to remove or revise the Capital Improvement Element (CIE) that comprised the foundation of its impact fee program.