

Cabarrus Neighbors

County to collect lot fees

County to collect lot fees in the cities

Cities now included in collections

Day also recommends that the current \$1,008 charge on new-home lots be increased

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In an effort to keep property taxes from rising steeply as it builds more schools, Cabarrus County will begin collecting a fee per lot on new homes in Concord and Kannapolis.

The county's top administrator also is recommending that it should significantly increase the \$1,008 fee it charges now.

The move comes less than three months before a referendum on a proposed bond issue to build new schools to meet population growth. The bonds would tack about 8 cents onto the county property-tax rate unless new sources of revenue can be developed.

The county currently collects the per-lot fee for new homes in Cabarrus County, Harrisburg, Mount Pleasant and Midland.

Concord and Kannapolis hadn't agreed to collect the fee, citing legal concerns. But state legislation passed June 30 gave the county and its municipalities the authority to collect the fee within their jurisdictions.

County Manager John Day said that means either the county or the municipalities can collect the fee within city limits.

With hundreds of new homes planned in Concord and Kannapolis, Day sent letters Thursday to the Concord and Kannapolis city managers, telling them the county would collect the fee.

"As you're aware, the addition of new homes leads to the need for more schools, which cost about \$12,000 per student served to build," Day wrote. "The resulting pressure on the property-tax rate is growing as fast as our population."

Day didn't specify how much

Fees from 1K

he thinks the county commissioners should raise the per-lot fee.

But if the county increases the fee to \$3,000 per lot, he said, that will bring in \$6 million per year for school construction. Raising it to \$5,000 would bring in \$10 million per year.

The proposed \$98 million school-bond issue on the ballot this fall would require heavy debt, financed through property taxes.

"It becomes increasingly important to identify another source to relieve the pressure on the property-tax rate," Day said.

The school construction program is estimated to cost the equivalent of 7.82 cents on the tax rate. By increasing the school adequacy fee, the county could slow the need for tax increases to defray the construction debt.

(If the fee brought in \$6 million, it would cut the amount needed from the property tax by about 5 cents per \$100 valuation - around 10 percent - under current property values.)

In 1998, the county commissioners adopted an ordinance that stops any new residential development until public facilities

needed to serve it are in place or planned.

Developers, however, can contribute to a new schools fund so their projects can move ahead before schools are built.

In the five years between its adoption and December 2003, developers had contributed \$2.8 million in money, land, streets and sewer lines for new schools. The commissioners agreed last August to increase the per-lot fee from \$500 to \$1,008.

Concord City Manager Brian Hiatt said he had no problem with the county's collecting the fee.

"Congratulations, if they've figured out a way to collect it," Hiatt said. "That's a small part of trying to relieve the current taxpayers of the burdens of residential growth for school services."

In deciding to collect the fee, Day pointed to a 437-home project planned for Kannapolis and two subdivisions planned for Concord.

Developers are proposing 715 homes in separate subdivisions in unincorporated parts of northwest Cabarrus County that are expected to be annexed into the city. In that area alone, 6,100 lots are either approved or planned, said Paul Campbell, Concord's director of engineering.