



Impact Fee FAQs

1. What is an Impact Fee?

An impact fee is a charge on new development to pay for the construction or expansion of off-site capital improvements that are necessitated by and benefit a new development.

2. Why did the Portland City Council decide to collect impact fees?

Before these fees were authorized, the costs associated with expanding Portland's facilities were borne by all current customers. By collecting impact fees, the developers who create additional demands are paying a larger share of the cost of meeting those demands. This ensures that those placing additional demands on the roadway, water, wastewater, and drainage systems help pay the costs required to meet the additional demands.

3. Who pays Impact Fees?

Any developer who is seeking a building permit for a new development (residential or non-residential) that will generate additional uses of roadway, utilities, or drainage resources will be responsible for paying impact fees. In this context, a "developer" is any person, company, agency, or entity that is undertaking a project. This includes non-profit entities, churches, and individuals subdividing land for family members as well as those whose primary business is developing land or constructing homes or businesses for profit. School districts are not required to pay impact fees imposed under Chapter 395 of the Local Government Code.

4. When must Impact Fees be paid?

For residential and non-residential developments, a building permit will not be issued until any and all impact fees have been paid.

One Year Exemption:

Properties that receive final plat approval before the Impact Fee Ordinance was adopted on November 2, 2021, will not be assessed impact fees if a valid building permit is issued within one (1) year of the effective date of the Ordinance. If a building permit issued between November 2, 2021 and November 2, 2022 subsequently expires, and no new application is made and approved within such period, the new development shall be subject to the payment of the impact fees adopted in this Ordinance.

5. What are Roadway Impact Fees?

A roadway impact fee is a charge imposed against new development to pay for the off-site construction or expansion of roadway facilities that are necessitated by and benefit the new development. These roadway facilities may be adjacent to the new development or within the same service area as the new development... (continued on next page)



Roadway impact fees are assessed in proportion to the anticipated traffic generated on roadway facilities by the new development in the service area. In other words, impact fees are assessed as a proportion of the development's impact on the system. Impact fees may not be enacted or imposed in the extraterritorial jurisdiction (ETJ) for roadway facilities.

The City of Portland is divided into two Roadway Service Areas and three Collection Tiers.

[Roadway Service Area Map](#)

[Water, Wastewater, and Roadway Impact Fee Collection Tiers](#)

6. What are Utility Impact Fees?

A Utility Impact Fee is a charge imposed on a new development that generates revenue for funding or recouping the costs of capital improvements or facility expansions that are needed by the new development. These impact fees are based on the size of the water meter.

The City of Portland has one Water and Wastewater Service Area and three Collection Tiers.

[Water, Wastewater, and Roadway Impact Fee Collection Tiers](#)

[Water and Wastewater Service Area](#)

7. What are Drainage Impact Fees.

A Drainage Impact fee is a charge that is imposed on a new development that generates revenue for funding or recouping the costs of capital improvements that are needed by the new development. These impact fees are based on the square footage of impervious cover within the new development.

The City of Portland collects Drainage Impact fees within the Doyle Watershed.

[Watershed Map](#)