

FRONT FOOTAGE FEE FAQ's

1. What are Front Footage Fees?

Front Footage Fees are a fee assessed against a properties frontage facing a street. This does include both sides of corner lots, but does not include alleys.

2. What are the fees used for?

The fees are used for the repair/replacement of the street infrastructure. This would include but not limited to; pothole patching, asphalt replacement or overlay projects, catch basin repair, or curb and gutter repair.

3. Why are they needed?

All streets in general have a given useful life expectancy and at some point need to be replaced or have larger repairs done to them. Without any designated funding sources from either State or Federal agencies, municipalities' are left to find ways to maintain their streets. This leaves the residents to pay for the upkeep of their streets.

4. How is the fee collected?

The fee will appear on your property tax bill and will be billed and collected by the county twice a year.

5. Is it legal?

Yes it is. By state statute 9-43-138 "Special Maintenance Fee. "The governing body prior to the assessment of real property within the municipality for the next fiscal year, may levy, annually, for the purpose of maintaining or repairing public improvements, a special maintenance fee upon the lots fronting and abutting any improvements within the municipality that are maintained by the municipality. The governing body prior to the assessment of real property may, by resolution, designate the lot or portion of lots against which the fee is to be levied and the amount of the fee to be assessed against each lot or portions of lots for such purposes, or may apportion the fee pursuant to 46A-10B-20. The governing body may directly bill the affected property owner for the fee in a manner determined by the municipality, or the governing body may require the county treasurer to add the fee assessed to the general assessment against the property and certify the fee assessed together with the regular assessment to the county auditor to be collected in the same manner as municipal taxes are collected for general purposes. The fee assessed is subject to review and equalization the same as assessments or taxes for general purposes."

Source: SL 2012, ch 57, 66.

6. Are there other cities doing this?

Yes. The ones we are aware of are Brandon, Spearfish, and Sioux Falls.

7. What is their fee set at?

Brandon \$.80/ft. Spearfish \$.40/ft. Sioux Falls \$1.00/ft.

8. What do they use the revenue for?

All use the fees for various street improvements; chip seals, patching, catch basin repairs, pothole patching. Most use second penny funds for larger asphalt projects. Madison does not have second penny funds available to do these types of projects.

9. When would these fees take effect?

The fees will start being collected in 2014 and will be on your property tax bill you receive twice a year. Projects will be identified during 2014 and once all fees are collected the projects will start. You should begin to see street improvements during 2015.

10. Has the city looked into other ways to fund street repairs? Are there funds within the current budget that could be used for street repairs?

Yes, the city staff has looked for other ways to fund needed street repairs and improvements. With the lack of state or federal funding there are no other options available to generate the needed revenue.