

City of San Marcos

User Fee Study



What are User Fees

- **Provide private benefit services with limited to no community benefit**
- **State law requires that 1) individual use of the service must be voluntary, and 2) fees must reasonably relate to the services provided**
- **Helps support the cost of delivering services such as permitting and inspection services**
- **Fees set based on State requirements for reasonable cost-based fees**

User Fee Methodology

- **Determine full cost of providing services or programs**
 - ✓ Review fee schedules based on service delivery
 - ✓ Identify fees not currently collected
 - ✓ Restructure, reduce, or remove fees
 - ✓ Using fully-burdened rates, calculate full cost recovery
- **Identify appropriate fee levels that**
 - ✓ Incorporate cost recovery goals
 - ✓ Reduce barriers of entry
 - ✓ Enhance reasonability and applicability
 - ✓ Maintain consistency with local policies and objectives
 - ✓ Maintain compliance with state law

Results of analysis

- **Most current fees are set significantly below the full cost of providing services**
- **Method of assessment for some fees were updated/established, such as move from flat fee to valuation-based fees**
- **Some increases were limited/omitted to mitigate barriers of entry for some fee types**
- **Ensure alignment with rates observed in the surrounding region**

Questions

