

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

