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Local Political Structure, Administrative Capacity, and Revenue Policy Choice

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Questions about how local political structure relates to public policy have generated enduring controversy among academics and practitioners. Most studies on the subject have been conducted at the municipal level and have resulted in mixed findings (Lineberry and Fowler 1967; Lyons 1978; Morgan and Pelissero 1980; Clingermayer and Feiock 2001). Proponents of municipal reform assert that it has led to lower taxes and expenditures because local governments are able to increase efficiency through professional management adapted from business practices (Lineberry and Fowler 1967; Lyons 1978).

At the county level, some studies have demonstrated that certain political structures or forms of government result in significant increases in service delivery and expenditures and alter growth management activities (Benton 2002b; 2003b; Park 1996; Schneider and Park 1989; Feiock and Tavares 2002). Others contend that local political structure does not bring any significant change (Morgan and Kickham 1999; Morgan and Pelissero 1980; Hayes and Chang 1990). Although recent studies have examined county governments in the areas of service delivery, taxation, expenditures, and growth management (Benton 2002b; 2003a; 2003b; Benton and Menzel 1991; DeSantis and Renner 1994; Feiock 1994; Morgan and Kickham 1999; Waugh 1994), they have not addressed the role of administrative institutions or capacity in terms of policy outcomes.

Enhanced administrative capacity can play a positive role in local initiation of new policies (Donahue, Selden, and Ingraham 2000; see also Bowman and Kearney 1988; Honadle 1981). Because local capability to implement programs and policies is so crucial for success, decision makers cannot afford to ignore it (Pressman and Wildavsky 1973). In particular, public officials' professional skills and expertise become crucial when policy implementation involves complex budgeting and planning processes.

Although research on county reform has benefited from studies on changes in municipal governance, county political structure has followed a different path of development and demands attention in its own right (see also Benton 2002b; 2003a). This study stresses

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the differences in political structure between municipal and county governments and seeks to refine theory with regard to county political structure by taking into account administrative capacity. A theoretical framework that emphasizes the dynamic relationships between political and administrative institutions and policy choice is posited.

This study also differs from previous studies in that it focuses on decision making pertaining to new revenue options for infrastructure at the county level. Specifically, it investigates user charges and various types of impact fees. Impact fees are intended to pay for the costs of growth-related infrastructure improvements. Those that are earmarked to cover the expenses of building new infrastructure cannot be used to pay for the operating and maintenance costs of that infrastructure. Impact fees perhaps provide the most distinct example of how local governments can incorporate in order to resolve fiscal problems associated with local infrastructure (Nelson 1988; see also Benton and Daly 1996). Unlike taxes, impact fees are levied to specifically targeted groups such as developers or new residents. Thus, increasing taxes to pay for infrastructure spreads the financial burden to constituents or taxpayers whereas impact fees can limit that burden to specific groups of developers or new residents.

The focus of this study is on county political structure and impact fee adoptions in Florida. Longitudinal data analysis is employed to capture the political dynamics underlying local decision making, which other research on political structure that has relied primarily on cross-sectional data has been unable to do (Morgan and Kickham 1999).

An Institutional Theoretical Framework

Institutional theory suggests that institutions provide incentives and constraints for those who interact with them and thereby influence behavior (North 1990). Political institutions are identified in relation to "who gets what"; that is, they identify and clarify the political processes in the authoritative allocation of values (Horn 1995). In providing guidelines for human action, institutions play a critical mediating role in the determination of policy choices and subsequent policy outcomes (North 1990; Lineberry and Fowler 1967; Clingermayer and Feiock 2001; Feiock, Jeong, and Kim 2003).

Although there have been numerous efforts to better understand service delivery, taxation, and expenditures with respect to policy making at the local level, relatively few studies have examined how political institutions affect public policy decisions. Much debate on the relationship between political institutions and policy consequences centers on progressive reform, which is assumed to enhance professionalism in daily administration and as a result increase efficiency at the local level. This study concentrates less on professionalism than on the role local government institutions play in initiating new policies and programs in general and complex impact fees in particular.

The literature suggests that in addition to political institutions, community characteristics such as economic and demographic attributes are determinants of policy outcomes (Lineberry and Fowler 1967; Feiock, Jeong, and Kim 2003; Benton 2002a; 2002b; Benton and Daly 1996; Morgan and Pelissero 1980; Jeong 2006).[1] This study controls for community characteristics such as interest groups, local growth through population and housing development, and debt outlay in particular.

Political Structure and Policy Choice

Political structure at the county level evolved in contrast to municipal reform (Benton 2002a; 2002b; 2003a; 2003b; Morgan and Kickham 1999; Lubell, Feiock, and Ramirez 2005). Fundamental to the municipal reform movement at the turn of the 20th century was the notion of separation of powers and enhancement of professional management. The professional manager position was institutionalized in council-manager government in order to replace political machines and weaken mayoral power, thereby increasing efficiency of daily administration and consequently lowering taxes and expenditures (Lineberry and Fowler 1967; Lyons 1978). Accordingly, discussion of the municipal reform movement compares council-manager with mayor-council government.

Conversely, the county reform effort was channeled through centralized executives in both the administrator (or manager) and elected chief executive (or mayor) forms. It is the commission-only form of government rather than the elected executive form that is considered to be "unreformed" at the county level (Morgan and Kickham 1999; Benton 2002b).

Under a commission-elected chief executive system, strong leadership can reconcile diverse local interests regarding growth management and thereby significantly influence local policy making (Frederickson and Johnson 2001). The importance of local leadership in resolving conflicts of interest at the local level has been identified (Schneider and Teske 1993; Frederickson and Johnson 2001). A study conducted by the International City/County Management Association (1995) found that leadership was necessary in political institutions to reduce conflicts and adequately solve problems. Several studies have noted the increasing role of leadership in negotiating local land-use disputes (Frederickson and Johnson 2001; see also Svara 1990). For example, Clingermayer and Feiock (2001) contend that elected chief executives may function as growth management entrepreneurs (see also Schneider and Teske 1993).

The professional administrator (or manager) under the commission-administrator type of government also can play a substantial role in local policy formulation and implementation (Benton 2002a; Berman 1993). Under the traditional (unreformed) commission-only form of county government, county affairs and services were administered by members of the legislative and executive branch as well as row officers (Benton 2002a; Svara 1990). In particular, row officers, acting as state constitutional officers, provided traditional county services including law enforcement, court services, and tax assessment and collections.

Fragmented authority made it difficult for county governments to develop a comprehensive management system for local policies (Svara 1990; Benton 2002b; Jeong 2006). Under the commission-administrator form, however, the county administrator has a centralized executive role in tasks such as budget preparation and appointment of department heads (Benton 2002a; see also Menzel 1996). Overall, counties with reformed governments (i.e., the commission-mayor or commission-administrator system) are more likely than unreformed governments to adopt new revenue options or impact fees.

Home rule gives counties greater autonomy to make decisions. Under Dillon's Rule of 1868, before home rule charters were introduced, county governments functioned as administrative arms of the state and were limited in their power to expand service roles and exploit new revenue sources (Benton 2002a; 2002b). As county affairs grew more complex, however, more self-governing power was necessary. Greater administrative and legislative authority was required to address new service demands resulting from rapid population increases and geographical changes (Benton 2002b). Counties with home rule authority have greater flexibility in terms of revenue options, including the adoption of impact fees (Benton 2002a; 200b; Salant 1993; DeSantis 2003).

Administrative Capacity and Policy Choice

With increased responsibility under New Federalism, local governments play an ever-important role in policy formulation, implementation, and management (Honadle 2001; see also Honadle, Costa, and Cigler 2004). Administrative institutional capacity is necessary to facilitate policy making and service delivery (Donahue, Selden, and Ingraham 2000). Ingraham and Kneedler (2000) assert that management capacity affects government performance capabilities and thus is essential for effective government organizations.

Administrative capacity is a highly abstract concept, and scholars and practitioners do not agree on its definition. Studies of capacity have been problematic because surrogate measures must be employed and data may be unavailable (Bowman and Kearney 1988; Honadle 2001). Furthermore, different levels of government complicate the concept of administrative capacity. For practical purposes, this study applies Hermit's definition of administrative capacity as "[a government's] ability to identify problems, develop and evaluate policy alternatives for dealing with them, and operate government programs" (cited in Honadle 1981, 576).

The availability of internal resources is considered to be a prerequisite for governments to seek and adopt new ideas and policy alternatives (Berry and Berry 1990). With greater resources, governments have more options. Internal governmental resources including experts or skilled workers are closely linked to local administrative capacity and thus help local governments overcome transaction costs resulting from the uncertainty and risk in implementing new policies and programs (Simonsen, Robbins, and Helgerson 2001; see Jeong 2006).

Governments must have administrative capacity to adopt controversial and complex revenue sources such as impact fees. Local business groups may resist impact fees that can put regulatory burdens on their activities. Furthermore, to resolve the difficulties and intricacies of financial management and planning, governments must apply various fee types, calculate fee formulas, and allocate impact fees in conjunction with a capital budget (Florida Advisory Council of Intergovernmental Relations 1991; Nelson 1994). For example, transportation impact fees are determined by a complicated calculation including daily vehicle flow, road capacity, and service levels (Purdum and Frank 1987). Because local administrative capacity is crucial in order for governments to initiate various fee types, it likely has a positive effect on impact fee adoptions.

Community Characteristics

Interest groups may resist change if new policies or programs adversely affect their property rights (Alston 1996; Eggertson 1990). According to the growth-machine model, developers and builders who feel their property rights are being violated will resist impact fees. In particular, the development community may strongly oppose the fiscal burden of impact fees when low housing demands make it difficult to pass those costs along to new residents (Watkins 1999; Skaburskis and Qadeer 1992). On the other hand, because an impact fee system may reduce risk and uncertainty in the development permit and approval process and therefore help sway public sentiment toward growth, the development community may not always oppose impact fees (Nelson and Moody 2003; Jeong and Feiock 2006). Nevertheless, government intervention in the private development market limits the economic benefits that accrue to developers and builders (Watkins 1999; Feiock 1994; Anthony 2000; Skaburskis and Qadeer 1992). Thus, these actors are likely to object to new financial and regulatory burdens resulting from impact fees.

Over several decades, rapid population growth at the county level has resulted in a wide variety of social problems in the areas of transportation, housing, the environment, and crime. Local growth has drawn attention to new revenue sources, especially user charges (Kolo and Dicker 1993; Lee, Johnson, and Joyce 2004; Schneider and Park 1989). Consequently, counties that experience rapid growth are more likely to adopt impact fees.

In addition, poor financial situations, especially in terms of infrastructure, are likely to drive exploration of new revenue options. State laws, including tax and expenditures limitations, have increasingly restricted local tax increases and debt financing (Berman 2006). As a result, public agencies have favored user charges and fees that can expand revenues despite rejection of bond issues for infrastructure. Counties experiencing high costs of infrastructure development through debt expenditures may seek and rely on new revenue options through impact fees (Lee, Johnson, and Joyce 2004). With reduced financial resources, local governments are expected to use impact fees to pay for public facilities.

Political Structure and Impact Fees in Florida

Since the late 1960s, the traditional commission form of government in Florida counties has changed as home rule charters have been adopted. A reformed county with home rule authority has more latitude to create new revenue sources. However, charter adoption in Florida is relatively rare: only 7 counties among 37 reformed Florida counties have adopted a charter.[2]

In Florida, three forms of government exist at the county level: commission-elected chief executive, commission-administrator, and commission. At their inception, all Florida county governments were established under the commission form of government in which executive and legislative power was not separated. Boards of commissioners exerted both powers in the early days of county administration and still do in many counties. Under the commission-only form of government, there is no centralized leadership in charge of daily county administration. Instead, each commissioner is responsible for certain agencies or departments. Heads of departments report daily administration activities to each commissioner or to a designated commissioner for each agency. This administrative structure is often criticized because of its lack of centralization and coordination (telephone interviews with county officials in Putnam County, May 2004).

There are various types of impact fees, depending on the local government. At the national level, one survey reported three types of fees (sewer/water, transportation, and parks) that were widely used by local governments (Leithe and Montavon 1990). The Florida Advisory Council on Intergovernmental Relations (FACIR 1991) has identified several dozen types of impact fees for transportation, water/sewer, parks, fire/EMS, police/corrections, and schools, for example. However, only a few are in general use.

Included in the empirical analysis are three of the most popular types of impact fees: transportation, parks, and public safety (FACIR 1991; Mullen 2005).[3] The effects of political institutions and capacity are compared separately for each fee type. Because the characteristics of each fee type are somewhat distinct, political structure may affect certain types of fees. Although few studies have identified direct linkages regarding which factors influence particular fee types (except see Frank and Downing's [1988] study of sewer impact fees), the effects of political structure may be differentiated (see also Benton 2002a; 2003a; 2003b). It is expected that the relationship between political structure and choice of parks and public safety impact fees is stronger in reformed (or modernized) counties than in unreformed (or traditional) counties because unreformed local governments may find it difficult to justify the connections between impact fees and public facilities and consequently may face greater resistance from the development community.

Data

Dependent Variable

Local governments typically impose impact fees on residential development to pay for infrastructure construction in areas such as transportation, water/sewer, police/corrections, fire/EMS, and parks. The fee amount for residential development generally is calculated on the basis of interior square footage or the number of rooms, although flat fee schedules are used in some cases. The square-foot method is used for fees for commercial and industrial development.

The dependent variable in this study is the adoption of impact fees in four categories: transportation, parks, public safety, and pooled fees.[4] Each fee adoption is coded for the year in which it took effect (1 for year of adoption; 0 if the fee was not adopted in that year).

Explanatory Variables

Most studies of local political structure focus on progressive reform in municipalities (Lineberry and Fowler 1967; Feiock, Jeong, and Kim 2003; Morgan and Pelissero 1980). In counties, political structure reform moved toward centralized leadership and professional management through commission-manager and commission-elected chief executive (or mayor) forms of government (DeSantis and Renner 1994; Morgan and Kickham 1999; Benton 2002b). The political structure variable is therefore coded according to whether a county adopted either the commission-manager or commission-mayor form of government (coded 1 for reformed government; 0 otherwise) (Lubell, Feiock, and Ramirez 2005; see also Benton 2002b).[5] In addition, a county that has home rule authority is coded 1 (0 otherwise).

The concept of administrative capacity is complex and multidimensional, and clear-cut measures are lacking. Brace (1991, 300) asserts that the expenditure level can serve as "a blunt but plausible and theoretically justified measure" of institutional capacity. This study assumes that the higher expenditures are, the more personnel and resources are needed to initiate and implement new policies for revenue options (see also Bowman and Kearney 1988; Elkins, Bingham, and Bowen 1996). Surrogate measures are employed: per capita expenditures in planning and financial administration (Jeong 2006).

The local interest group variable includes the political strength of the development community. As a strong growth machine, the local development community may resist policy changes that adversely affect its economic profits. Because the concept of political strength is abstract, organization size is used as a proxy for this factor (see also Jeong and Feiock 2006).

The presence of a well-organized development community puts pressure on local politics (Stone 1989). This study therefore assumes that large development firms are likely to have more influence than small firms on both the local economy and local politics. There is no systematic way to distinguish between large and small firms, and scholars and practitioners do not agree on a standard. This study therefore defines large firms as those that have more than 50 employees. As Jeong and Feiock (2006, 759) note, the percentage of large developers corresponds to the level of pressure exerted by the development community.

Following Nelson (1988), who asserts that there is a correlation between population and impact fee adoptions, local growth is measured by the annual percentage change in population. Local growth is also measured by the number of residential development permits issued each year. Developers or builders are supposed to pay the impact fees imposed by local governments for new residential, commercial, and industrial developments. Residential development permits include single- and multifamily housing permits.

In general, local capital facilities are financed by bond issues because of the size of expenditures and long-term requirements of fiscal plans (Lee, Johnson, and Joyce 2004; Mikesell 2003). However, there are legal limitations for debt financing, especially for general obligation bonds. Impact fees can serve as an alternative to debt financing for infrastructure (Kolo and Dicker 1993). This study therefore assumes that higher debt outlay encourages local governments to adopt impact fees. Local debt outlay for infrastructure is measured by debt millage rates and per capita debt expenditures.[6]

Method

Determinants of various impact fee adoptions are examined using event history analysis (EHA). EHA has been used widely to explain qualitative changes such as state policy adoption (Berry and Berry 1990; Box-Steffensmeier and Jones 2004). EHA is also a useful analytical tool for local governments to employ when making decisions about whether or not to adopt impact fees (Jeong 2006). For the analysis of various impact fee adoptions, this study assumes that one type of impact fee does not affect another type. Second, once one type of impact fees is institutionalized, it is highly implausible that it will be abandoned. The underlying rationale is that localities are less likely to shun attractive funding sources when infrastructure is deteriorating and there are financial problems. Third, EHA measures duration dependency, defined as the time to occurrence of an event (Cleves, Gould, and Gutierrez 2002), using a time counter and natural log time counter (see Box-Steffensmeier and Jones 2004). The duration dependency models are compared with the non-duration dependency model.[7]

Findings and Analysis

Types of Impact Fees

Table 1 presents various types of impact fees and numbers of adopting counties on the basis of 5-year intervals during the 25-year period. The general patterns indicate that for the first 5-year period, counties were slow to adopt impact fees. Major adoptions occurred between 1987 and 1991; thereafter, the rate of adoption significantly declined during the 1990s (see also Jeong 2006).

Consistent with nationwide findings (see Leithe and Montavon 1990), the most popular type of impact fee is for transportation (adopted by 33 counties). Approximately half of all counties established transportation fees during the 1987–91 period. Public safety and park service impact fees are ranked second and third, respectively. Most of these fees also were in place during the late 1980s.

Factors Affecting Various Impact Fee Adoptions

A logit maximum likelihood approach is employed to analyze binary cross-sectional and time series data. Overall, the logit estimates suggest that local political structure has a modest effect on impact fee adoptions (see Table 2).[8] Moreover, in the area of planning, administrative capacity has a significant effect on adoptions.

In terms of government type, reformed political structure has a positive effect on the adoption of transportation and pooled impact fees (90 percent confidence level). Transaction costs associated with powerful transportation interest groups are reduced in local governments in which there is centralized leadership and a professional management system.

The finding that none of the fee types are accounted for by home rule authority should be interpreted cautiously. Florida constitutions have allowed county home rule since

Table 1. Types of Impact Fees, 1977–2001

	Number of Adopting Counties					
Fee Type	**1977–81**	**1982–86**	**1987–91**	**1992–96**	**1997–2001**	**Total**
Transportation	1 (3.0)	13 (39.4)	16 (48.5)	2 (6.1)	1 (3.0)	33
Parks	1 (5.6)	4 (22.2)	11 (61.1)	2 (11.1)	0 (0.0)	18
Public safety	0 (0.0)	5 (23.8)	13 (61.9)	2 (9.5)	1 (4.7)	21
Pooled fees	2 (5.7)	14 (40.0)	16 (45.7)	2 (5.7)	1 (2.9)	35

Note: Impact fee data were collected by Burge (2004). Adapted with permission. Numbers in parentheses are percentages.

1968, but counties have been slow to assume such authority. As of 2002, 18 counties had adopted a home rule charter; only 4 counties established a charter before 1980 (Florida Association of Counties 2004). As a consequence, impact fee choices can be only partly explained by charter adoptions that occurred in the later period.

Sufficient administrative capacity was expected to promote county adoption of impact fees. The findings confirm that the proxy measures of planning and finance administration expenditures make a significant difference in the creation of new revenue options for park services. Local governments must identify linkages between fees and park services and calculate fees accordingly. The effect of administrative capacity on other fee types is inconclusive.

It was hypothesized that impact fee adoptions would increase with rapid county growth. These findings confirm that county growth—measured as population growth and the number of housing permits issued—has statistically significant and strong effects on impact fee adoptions (Frank and Downing 1988; Jeong 2006).

The presence of a politically powerful development community was expected to reduce the likelihood of a county adopting impact

Table 2. Logit Estimates of Impact Fee Adoptions

Variable	Transportation	Parks	Public Safety	Pooled Fees
Reformed form of government $_{t-1}$	0.722* (0.432)	0.981 (0.621)	0.475 (0.565)	0.668* (0.399)
Home rule authority $_{t-1}$	0.438 (0.673)	1.138 (0.801)	−0.487 (0.725)	0.712 (0.665)
Finance expenditures $_{t-1}$	−2.7E-9 (2.1E-8)	−1.9E-8 (1.6E-8)	2.2E-8 (1.5E-8)	4.8E-9 (1.9E-8)
Planning expenditures $_{t-1}$	4.1E-8 (3.1E-8)	1.2E-7*** (4.0E-8)	4.5E-8 (3.9E-8)	4.7E-8 (3.0E-8)
Population growth $_{t-1}$	0.081*** (0.0290)	0.083*** (0.035)	0.060* (0.033)	0.073*** (0.028)
Single-housing permits $_{t-1}$	0.0005*** (0.0001)	0.0004*** (0.0001)	0.0004*** (0.0001)	0.0004*** (0.0001)
Business strength $_{t-1}$	−0.091 (0.080)	−0.485*** (0.191)	−0.026 (0.082)	−0.149** (0.081)
Debt millage $_{t-1}$	−0.262 (1.035)	0.231 (0.915)	−0.303 (1.188)	−0.298 (1.118)
Debt financing $_{t-1}$	0.001*** (0.0003)	−0.002 (0.0040)	0.001** (0.0003)	0.001* (0.0003)
Constant	−4.635 (0.333)	−5.188 (0.482)	−5.161 (0.452)	−4.189 (0.305)
N	989	1,189	1,186	931
log likelihood	−121.7	−78.3	−91.85	−133.1
chi-square	52.4	44.9	45.97	42.84
pseudo-R^2	0.116	0.121	0.095	0.88

*$p < 0.1$. **$p < .05$. ***$p < .01$ (one-tailed tests).
Note: Numbers are coefficients. Numbers in parentheses are standard errors.

fees. The development community variable has a negative effect across all four impact fees but is statistically significant for park service and pooled impact fees. Presumably, it is difficult to make a connection between payers and beneficiaries of park impact fees and services because of the regionwide characteristics of park services (see also Benton 2002a). Consistent with the growth-machine model, a small but well-organized development community has a significant influence on local policy decisions (Molotch 1976).

Finally, high debt outlay for infrastructure was hypothesized to increase the likelihood of impact fee adoptions. The results suggest that debt millage is positively related to transportation, public safety, and pooled impact fees. With increased debt outlay, counties seek alternative revenue sources such as impact fees (see Lee, Johnson, and Joyce 2004).

Conclusion

Over the past several decades, the county has emerged as one of the most significant political units in the American federal system (Menzel 1996; Benton 2002a). With demographic and economic changes, county governments have assumed more responsibility for delivering public services. Unless there is a concomitant increase in revenue resources to cope with new demands on public services, the quality of life of existing residents may suffer, and their financial burdens may increase. In response to the need for public services and facilities, local governments are likely to search out new revenue sources that can reduce financial stress but will not be resisted by citizens.

In order to accommodate local growth, Florida counties have actively adopted impact fees. As of this writing, 34 states had adopted and implemented impact fees of various sizes and scope (Mullen 2005). Although the findings of this study are particular to Florida—a rapidly growing area—they may be extended and applied to studies of other states' experiences with impact fee adoptions.

Most research on government institutions and policy outcomes focuses exclusively on political institutions. This study employed an institutional theoretical framework to explore specifically the effects of administrative capacity (Benton 2002b; 2003a; 2003b; DeSantis and Renner 1994; Morgan and Kickham 1999; Lineberry and Fowler 1967; Clingermayer and Feiock 2001). Because administrative capacity reduces uncertainty in reciprocal transactions, it must therefore be accounted for in explaining policy choices, especially those concerning financial policies that are technically complex and controversial among stakeholders.

This study provides mixed findings regarding the relationship between political institutions and local policy outcomes. Political structure has a modest effect on new revenue options. Consistent with Benton (2003a), centralized leadership and professional management in reformed counties may result in better coordination of diverse and controversial interests resulting from demographic changes (see Frederickson and Johnson 2001). However, the lack of effects of home rule authority must be interpreted cautiously because most home rule adoptions in Florida occurred after impact fees were in place.

The findings also suggest that the availability of revenue policy options depends on elements of administrative capacity, specifically, public officials' professional skills and expertise in local planning processes (Donahue, Selden, and Ingraham 2000; see also Bowman and Kearney 1988). Decision makers cannot entirely ignore local capacity to successfully implement programs and policies and may wish to consider this factor when formulating new ones (see also Pressman and Wildavsky 1973). Undoubtedly, certain community characteristics, including the presence of small but well-organized local interest groups such as the development community, have implications for local revenue policy choices. Moreover, the increased financial burden of debt financing also encourages local governments to find new revenue options.

As counties experience rapid growth and take on more urban characteristics, the need for new revenue sources increases (see Benton 2003a). Thus, future studies should examine diverse taxes and user charges across different states within the context of the revenue options available to expanding localities and subsequent policy choices.

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Notes

1. This study focuses only on local internal determinants to explain local policy outcomes. In the context of impact fees, Benton and Daly (1996) and Jeong (2006) took into consideration regional diffusion factors, but their findings were mixed.
2. There are 67 counties in Florida. However, Duval County is excluded from the analysis because no consistent datasets resulting from city-county consolidation exist.
3. This study aggregated three types of impact fees; thus, the final analysis includes the four models. Public safety includes police/corrections as well as fire/EMS. Although water/sewer impact fees are widely used, they are excluded from the analysis because definitions of fee types across counties are unclear.
4. Impact fee data are from Burge (2004). The impact fee report produced by the Florida Advisory Council on Intergovernmental Relations (FACIR 1991) also was cross-checked. For further information on aggregate impact fees including transportation, parks, police/corrections, fire/EMS, schools, and libraries, refer to Jeong (2006).
5. Because there are few commission-elected chief executive or mayor forms of government in Florida, the two types were combined and jointly tested.
6. All the independent variables are lagged by one year to ensure that they account for impact fee adoptions. Sources include the *Florida Statistical Abstract* (Bureau of Economic and Business Research), *Municipal Year Book* (International City/County Management Association), and *County Business Patterns* (U.S. Census Bureau).
7. A likelihood ratio test revealed no difference between the nonduration model and the duration model with linear and log durations (see also Jeong 2006).
8. Simple correlation tests between explanatory variables in the four models were conducted. Only single- and multiple-family housing permits had high correlation coefficients, ranging from 0.63 to 0.67. Accordingly, multiple-family housing permits were dropped in the final analysis.

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