

## FOR IMMEDIATE RELEASE

### **Eastern Idaho Home Builders Association Files Lawsuit Against City of Idaho Falls, Citing Impact Fees That Increase Costs for Local Businesses and Residents**

*Idaho Falls, ID – December 3, 2024* – The Eastern Idaho Home Builders Association (EIHBA) announced today the filing of a lawsuit against the City of Idaho Falls, seeking to overturn the City’s impact fee ordinance. The EIHBA asserts that the ordinance is unlawful, excessive, and detrimental to local businesses and residents by raising costs and making it more expensive to live and work in Idaho Falls. The lawsuit claims that the ordinance imposes disproportionate fees on developers, leading to higher rent prices, increased costs for goods and services, and ultimately burdening the entire community.

The City of Idaho Falls passed its controversial impact fee ordinance on June 1, 2022, and subsequently amended it in March 2023. The ordinance mandates significant fees on new developments to fund infrastructure projects, including roads, parks, public safety facilities, and more. These fees, charged as a condition for obtaining building permits, are intended to ensure that new developments contribute their fair share to infrastructure costs.

However, the EIHBA contends that the City’s ordinance fails to meet statutory and constitutional requirements under Idaho law. According to the lawsuit, the City’s studies supporting the fees are flawed, and the fees themselves are not directly tied to the actual impact of new developments on the City’s infrastructure.

“These impact fees are not just a burden on developers; they have a ripple effect throughout our community,” said the EIHBA Legal Action Committee. “Higher development costs lead to increased rent prices for businesses, which then have to raise prices on goods and services. This affects everyone—from the cost of groceries and dining out to housing affordability.”

Local businesses, including grocery stores and restaurants, are already feeling the strain of these increased costs. The higher fees make it challenging for new businesses to enter the market and for existing businesses to expand or even maintain operations. This lack of competition can lead to higher prices and fewer choices for consumers.

“The impact fees are making it more expensive for new businesses to open and for existing businesses to survive,” the Committee added. “This not only affects the diversity and vibrancy of our local economy but also means higher prices for everyday essentials for our residents.”

The lawsuit also highlights serious deficiencies in the impact fee study conducted by the City’s consultant, TischlerBise from Maryland. The EIHBA asserts that the study is fundamentally flawed and fails to meet Idaho’s legal standards. According to the complaint, the City’s study contains numerous methodological errors, lacks transparency, and fails to properly calculate the true impact of new developments on the City’s infrastructure.

The EIHBA Legal Action Committee makes the following statement on behalf of all EIHBA members:

“The City’s reliance on this insufficient and legally deficient study has led to the imposition of unjustified and disproportionate fees. While we recognize the importance of funding infrastructure improvements, the City’s approach through these impact fees is fundamentally flawed and illegal. These errors must be addressed to prevent further harm to developers, local businesses, homeowners, and the overall affordability of living in Idaho Falls.

The rising costs have far-reaching effects on our community, making it increasingly difficult for children and the elderly to afford living in Idaho Falls. Higher housing prices and living expenses are forcing families to relocate and posing obstacles for new residents, which ultimately impacts the community's growth and vibrancy.”

The lawsuit, filed in Bonneville County District Court, seeks a declaratory judgment that the impact fee ordinance violates Idaho’s Development Impact Fee Act and other state laws. It requests the court to invalidate the ordinance, seeks an injunction halting its enforcement, and orders the City to refund fees unlawfully collected.

The EIHBA has been a long-time advocate for fair and reasonable development practices in Eastern Idaho. It believes that a collaborative approach between the City and local builders is essential to ensure sustainable growth while preserving affordability for businesses and residents. “We are hopeful that the City will work with us to find a balanced solution that supports both the needs of the community and the vitality of local businesses,” stated the EIHBA Legal Action Committee.

The Legal Action Committee further concludes:

“The EIHBA remains committed to working with city leaders to find a legally sound, equitable approach to managing growth. We want to ensure that Idaho Falls continues to thrive without placing unnecessary burdens on the developers, businesses, and residents who contribute to the community’s prosperity.”

For additional information or to schedule an interview with a representative of the EIHBA, please contact:

Legal Action Committee, Eastern Idaho Home Builders Association  
Phone: (208) 552-7032  
Email: [office@eihba.org](mailto:office@eihba.org)