



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Joselito L. Lomasang--Real Estate Expenses

File: B-271242

Date: September 12, 1996

DIGEST

A transferred employee may not be reimbursed for an impact fee and interim service fee, imposed by local government bodies on newly constructed residences, and included in the closing costs for a newly constructed residence the employee purchased at his new duty station. Under the Federal Travel Regulations, 41 C.F.R. § 302-6(d), real estate expenses resulting from the construction of a new residence are not reimbursable unless they are comparable to expenses allowable in connection with the purchase of an existing residence, and the record indicates that the employee would not have paid comparable fees if he had purchased an existing residence.

DECISION

This is in response to a request from the Federal Aviation Administration (FAA) for an advance decision regarding Mr. Joselito L. Lomasang's request for reimbursement for certain real estate expenses he incurred incident to his transfer to a new official duty station. Reimbursement is not authorized.

Mr. Lomasang moved from San Angelo, Texas, to Miami, Florida, pursuant to a permanent change-of-station move under Travel Authorization Number 420-3-033 dated March 30, 1993. He incurred various expenses, including an Impact Fee of \$948 and an Interim Service Fee of \$220, in purchasing a newly built home in Pembroke Pines, Broward County, Florida.

The provisions governing reimbursement for real estate expenses incident to a transfer of duty station are contained in 5 U.S.C. § 5724a and regulations issued pursuant thereto. Those regulations are contained in the Federal Travel Regulations, (FTR), 41 C.F.R. § 302-6. Under FTR § 302-6.2(d) certain expenses customarily paid by a purchaser of a residence at the new official station are reimbursable. However, § 302-6.2(d), specifically provides that real estate expenses that result from construction of a residence are not reimbursable unless they are comparable to expenses that are reimbursed in connection with purchase of an existing residence.

The information provided in the record shows that the impact fee and interim service fee paid by Mr. Lomasang at closing are fees imposed by Broward County and the city of Pembroke Pines due to the cost of providing new schools, parks, and other public services in fast-growing communities. Those fees are customarily charged on newly constructed homes, and are not charged on purchases of existing homes.

In a similar situation we denied reimbursement to a transferred employee who paid an impact fee in purchasing a new home in Broward County. We noted that such fees are assessed on the developer, incident to approval of a building permit, who then passes the cost on to the purchaser, and there is no indication that the employee would have incurred a comparable expense if he had purchased an existing residence. Therefore, we concluded that the FTR prohibited reimbursement for the fee. Gregory Scheer, B-232720, Sept. 13, 1989. See also Carl Trueblood, 65 Comp. Gen. 557 (1986); and Clyde Treat, B-181795, Nov. 11, 1974.

Mr. Lomasang's situation is similar to that in Gregory Scheer, supra. Therefore, the impact fee and interim service fee, charged to those who purchase newly constructed residences, are construction-related expenses not comparable to expenses reimbursed in connection with purchases of existing residences. Accordingly, reimbursement of these two fees is prohibited by the FTR, § 302-6.2(d).

/s/Seymour Efros
for Robert P. Murphy
General Counsel