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HOUSE BILL 3246

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State of Washington                      60th Legislature                      2008 Regular Session  
By Representatives Fromhold and Flannigan

1            AN ACT Relating to the time limits of school impact fee  
2 expenditures; amending RCW 82.02.070; and adding a new section to  
3 chapter 82.02 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 82.02.070 and 1990 1st ex.s. c 17 s 46 are each  
6 amended to read as follows:

7            (1) Impact fee receipts shall be earmarked specifically and  
8 retained in special interest-bearing accounts. Separate accounts shall  
9 be established for each type of public facility for which impact fees  
10 are collected. All interest shall be retained in the account and  
11 expended for the purpose or purposes for which the impact fees were  
12 imposed. Annually, each county, city, or town imposing impact fees  
13 shall provide a report on each impact fee account showing the source  
14 and amount of all moneys collected, earned, or received and system  
15 improvements that were financed in whole or in part by impact fees.

16            (2) Impact fees for system improvements shall be expended only in  
17 conformance with the capital facilities plan element of the  
18 comprehensive plan.

1       (3)(a) Except as provided otherwise by (b) of this subsection,  
2 impact fees shall be expended or encumbered for a permissible use  
3 within six years of receipt, unless there exists an extraordinary and  
4 compelling reason for fees to be held longer than six years. Such  
5 extraordinary or compelling reasons shall be identified in written  
6 findings by the governing body of the county, city, or town.

7       **(b) School impact fees must be expended or encumbered for a**  
8 **permissible use within ten years of receipt, unless there exists an**  
9 **extraordinary and compelling reason for fees to be held longer than ten**  
10 **years. Such extraordinary or compelling reasons shall be identified in**  
11 **written findings by the governing body of the county, city, or town.**

12       (4) Impact fees may be paid under protest in order to obtain a  
13 permit or other approval of development activity.

14       (5) Each county, city, or town that imposes impact fees shall  
15 provide for an administrative appeals process for the appeal of an  
16 impact fee; the process may follow the appeal process for the  
17 underlying development approval or the county, city, or town may  
18 establish a separate appeals process. The impact fee may be modified  
19 upon a determination that it is proper to do so based on principles of  
20 fairness. The county, city, or town may provide for the resolution of  
21 disputes regarding impact fees by arbitration.

22       NEW SECTION. Sec. 2. A new section is added to chapter 82.02 RCW  
23 to read as follows:

24       Criteria must be developed by the office of the superintendent of  
25 public instruction for extending the use of school impact fees from six  
26 to ten years and this extension must require an evaluation for each  
27 respective school board of the appropriateness of the extension.

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