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## Local Government & Housing Committee

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### HB 1975

**Brief Description:** Concerning school impact fees.

**Sponsors:** Representatives Santos and Williams.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Specifies that school impact fees must be spent within 10 years of receipt, rather than six years.</li></ul>
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**Hearing Date:** 2/16/09

**Staff:** Sara del Moral (786-7291) and Thamas Osborn (786-7129)

**Background:**

Comprehensive Planning Under the Growth Management Act.

The Growth Management Act (GMA or Act) directs each jurisdiction planning under the Act to adopt a comprehensive land use plan, which is a generalized, coordinated land use policy statement of the governing body. Comprehensive plans must include specified planning elements, including a capital facilities plan. Each planning jurisdiction (jurisdiction) must also adopt development regulations that implement and conform with its comprehensive plan.

Impact Fees.

Jurisdictions may impose impact fees on development activity to help finance public facilities. Developers must pay impact fees as a condition of development approval. In determining strategies to finance system improvements, a local government must balance financing between impact fees and other public funds.

Jurisdictions must ensure that impact fees:

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- are used only for system improvements that are reasonably related to a development's impact on public facilities;
- do not exceed a proportionate share of the cost of system improvements made necessary by a development; and
- are used for system improvements that reasonably benefit a development.

A number of provisions for local ordinances regarding impact fees are specified under state law. Among these is a requirement for an impact fee schedule for each type of development activity, specifying the value of the impact fee imposed for each type of system improvement. The schedule must be based upon a formula or another calculation method.

Only certain types of capital facilities owned or operated by government entities may receive funding from impact fees. Such facilities are limited to the following:

- public streets and roads;
- publicly owned parks, open spaces, and recreation facilities;
- school facilities; and
- certain fire protection facilities.

#### Limitations on Impact Fees.

A jurisdiction must:

- specifically earmark impact fees and retain them in interest-bearing accounts, establishing a separate account for each type of facility receiving fees;
- report annually on each account;
- expend fees only in conformance with the capital facilities plan element of the comprehensive plan; and
- expend or encumber fees within six years of receipt, unless there is an extraordinary and compelling reason to hold them longer.

In the event a jurisdiction holds fees for more than six years, it must identify the reasons for doing so in the written findings of its governing body.

Each jurisdiction must provide an administrative appeals process for applicants wishing to appeal an impact fee. A jurisdiction may also provide for the resolution of such disputes by arbitration.

#### **Summary of Bill:**

School impact fees must be expended or encumbered in 10 years, rather than six years.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.