

HOUSE BILL REPORT

SSB 5548

As Reported by House Committee On: Local Government & Housing

Title: An act relating to expanding certain public facilities eligible to be credited against the imposition of impact fees.

Brief Description: Expanding certain public facilities eligible to be credited against the imposition of impact fees.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Haugen, Jarrett, Fraser and Shin).

Brief History:

Committee Activity:

Local Government & Housing: 2/22/10 [DP].

Brief Summary of Substitute Bill

- Expands the types of public facilities eligible to receive funding derived from impact fee revenues to include transit, bicycle, and pedestrian facilities.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: Do pass. Signed by 7 members: Representatives Simpson, Chair; Nelson, Vice Chair; Miloscia, Springer, Upthegrove, White and Williams.

Minority Report: Do not pass. Signed by 4 members: Representatives Angel, Ranking Minority Member; DeBolt, Assistant Ranking Minority Member; Fagan and Short.

Staff: Thamas Osborn (786-7129).

Background:

Impact Fees.

Counties, cities, and towns that plan under the major provisions of the Growth Management Act (GMA) are authorized to impose impact fees on development activity as part of the financing of public facilities. Impact fees are payments of money required of developers as a

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condition of development approval. Local governments are required to use impact fees to pay for certain public facilities that are made necessary as the result of a development and must ensure that such fees are:

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

In determining how system improvements are to be financed, a local government must provide for a balance between impact fees and other sources of public funds and cannot rely solely on impact fees. Additionally, local ordinances must also include a fee schedule for each type of development activity subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule must be based upon a formula or other method of calculating the prorated impact fee.

The types of "public facilities" that may receive funding from impact fees are limited to specified types of capital facilities owned or operated by government entities. Such public facilities are limited to the following:

- public streets and roads;
- publicly owned parks, open spaces, and recreation facilities;
- school facilities; and
- fire protection facilities in jurisdictions that are not part of a fire district.

Summary of Bill:

The types of public facilities eligible to receive funding derived from impact fee revenues are expanded to include transit, bicycle, and pedestrian facilities.

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.

Staff Summary of Public Testimony:

(In support) This bill provides needed expansion of the types of public facilities eligible to receive funding derived from impact fees. Adding transit, bicycle, and pedestrian facilities will provide an incentive to builders to include such facilities in their developments, insofar as the bill would allow builders who create these facilities to receive credits against the

impact fees they are required to pay. This bill is a baby step towards encouraging builders to include a broader range of public facilities in their projects, which is beneficial to builders as well as the public.

(Opposed) None.

Persons Testifying: Scott Hildebrand, Master Builders Association of King and Snohomish Counties; and Ashley Probart, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.