
Local Government & Housing Committee

SB 5580

Brief Description: Concerning school impact fees.

Sponsors: Senators Pridemore, Brandland, Oemig, Fraser, Shin, Ranker, Rockefeller, Kline, Hargrove, Kauffman, Jarrett, Kohl-Welles, Murray, Marr, McDermott and Tom.

Brief Summary of Bill

- Extends, from six to 10 years, the amount of time that local governments have to expend or encumber impact fees collected for school facilities.
- Requires the Office of the Superintendent of Public Instruction to develop criteria for extending the use of impact fees collected for school facilities from six to 10 years.

Hearing Date: 3/18/09

Staff: Ethan Moreno (786-7386)

Background:

Counties, cities, and towns that plan under the major provisions of the Growth Management Act 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 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

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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. These public facilities are limited to:

- 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.

Local governments that impose impact fees must satisfy administrative provisions for their retention and use. For example, impact fees receipts must be retained in separate and special interest bearing accounts, and local governments that impose impact fees must have an administrative process for fee appeals. Additionally, impact fees must be expended or encumbered for a permissible use within six years of receipt. If, however, extraordinary or compelling reasons exist, and if the governing body of the local government identifies these reasons in written findings, the collected fees may be held longer than six years.

The Office of Superintendent of Public Instruction (OSPI) is the primary agency charged with overseeing K-12 education in Washington State. The OSPI works with the state's 295 school districts to administer basic education programs and implement education reform on behalf of more than 1 million public school students.

Summary of Bill:

School facility impact fees must be expended or encumbered for a permissible use within 10 years, rather than six, of receipt. If extraordinary or compelling reasons exist, and if the governing body of the local government identifies these reasons in written findings, the collected fees may be held longer than 10 years.

Extending the expending or encumbering time period to 10 years also requires an appropriateness evaluation by the applicable school board. Additionally, the Office of the Superintendent of Public Instruction must develop criteria for extending the use of school facility impact fees from six to 10 years.

Appropriation: None.

Fiscal Note: Available.

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