

SENATE BILL REPORT

SB 5548

As of February 23, 2009

Title: An act relating to requiring project improvements, including public transportation infrastructure improvements, to be credited against the imposition of impact fees.

Brief Description: Requiring project improvements, including public transportation infrastructure improvements, to be credited against the imposition of impact fees.

Sponsors: Senators Haugen, Jarrett, Fraser and Shin.

Brief History:

Committee Activity: Transportation: 2/19/09.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Kelly Simpson (786-7403)

Background: Counties, cities, and towns that are required or choose to plan under the Growth Management Act (GMA) may impose impact fees on development activity as part of the financing for public facilities needed to serve new growth and development. The impact fees (1) may only be imposed for system improvements that are reasonably related to the new development; (2) may not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and (3) must be used for system improvements that will reasonably benefit the new development. "System improvements" are limited to those public facilities specifically designated by a county, city, or town in its capital facilities plan that are designed to serve areas within the community at large. Generally, if a jurisdiction does not spend impact fee revenue on system improvements within six years of collection, the impact fees must be refunded.

Jurisdictions imposing impact fees must provide a credit against the fees for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer. However, this credit provision does not apply to project improvements provided by the developer. "Project improvements" are site improvements and facilities planned and designed to serve a particular development project, and are not "system improvements."

Summary of Bill: Credits required to be applied against GMA impact fees are expanded to include project improvements provide by the developer. Jurisdictions imposing impact fees

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must provide a credit against the fees for the value of any dedication of land for, improvement to, or new construction of any project improvements provided by the developer. Project improvements authorized to receive the credit include public transportation infrastructure improvements.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The Growth Management Act has not allowed for the efficient use of impact fees generated on new development. General contractors feel it is more efficient to have builders, rather than local jurisdictions, provide improvements that mitigate impacts from the development. Currently, impact fee revenue sits for six years, which generates frustration on the part of developers. The bill benefits transit agencies, whereas current impact fee rules do not.

OTHER: We support the bill in principle, but just want to ensure the original goals of the GMA are not substantially impaired.

Persons Testifying: PRO: Senator Haugen, prime sponsor; Scott Hildebrand, MBA-King/Sno; Michael Shaw, Washington Transit Association; Bill Laborde, Transportation Choices Coalition.

OTHER: April Putney, Futurewise.