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SENATE BILL 5898

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State of Washington

53rd Legislature

1993 Regular Session

By Senators Haugen, Oke, Winsley and Hochstatter

Read first time 02/23/93. Referred to Committee on Government Operations.

1 AN ACT Relating to impact fees; amending RCW 82.02.050; and adding  
2 a new section to chapter 82.02 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.02 RCW  
5 to read as follows:

6 (1) When an impact fee is imposed upon development activity, the  
7 party concerned may pay that impact fee on or before the date required  
8 by the county, city, or town imposing the fee or may elect in his or  
9 her discretion to pay the fee, after occupancy of any structures  
10 constructed on the property upon which the relevant development  
11 activity occurred, in equal annual principal installments together with  
12 interest on the outstanding balance. The election to pay an impact fee  
13 over time shall be in the form of a written notice to the county, city,  
14 or town imposing the fee, and that election must be made before the  
15 date fixed for payment of the fee by that jurisdiction. The county,  
16 city, or town shall determine the rate of interest, which shall not  
17 exceed the then prevailing tax-exempt municipal bond interest rate, to  
18 be paid on any such impact fees paid over time, and shall also  
19 determine the number of years for payment, which number shall not be

1 fewer than five nor more than fifteen. The county, city, or town also  
2 may determine the timing and manner of payment, may determine such  
3 other matters as it may deem relevant to the administration and  
4 collection of such payments, and may prescribe penalties for late  
5 payment.

6 (2) If a party chooses to pay an impact fee over time, those fees  
7 shall be a lien on the property upon which the relevant development  
8 activity occurred. The lien shall attach thirty days after the party's  
9 filing with the county, city, or town the written election to pay the  
10 impact fee over time. The lien shall be on a parity with the lien of  
11 local improvement assessments and shall be paramount and superior to  
12 any other lien or encumbrance theretofore or thereafter created except  
13 a lien for general taxes. The enforcement and validity of any such  
14 lien, including the foreclosure of any such lien, shall be in the same  
15 manner and subject to the same rights of redemption provided by law for  
16 cities and towns with respect to local improvement district  
17 assessments.

18 (3) Whenever any property on which an impact fee has been imposed  
19 and is being paid over time shall have been sold in part or subdivided,  
20 the legislative authority of the county, city, or town shall have the  
21 power to order a segregation of the fee. Any such segregation shall be  
22 made in the manner as provided in RCW 35.44.410 for the segregation of  
23 local improvement district assessments.

24 (4) The owner of any property upon which an impact fee has been  
25 imposed and is being paid over time may prepay all or any portion of  
26 the outstanding principal balance thereof by paying such portion with  
27 interest thereon to the date of the installment next falling due.

28 **Sec. 2.** RCW 82.02.050 and 1990 1st ex.s. c 17 s 43 are each  
29 amended to read as follows:

30 (1) It is the intent of the legislature:

31 (a) To ensure that adequate facilities are available to serve new  
32 growth and development;

33 (b) To promote orderly growth and development by establishing  
34 standards by which counties, cities, and towns may require, by  
35 ordinance, that new growth and development pay a proportionate share of  
36 the cost of new facilities needed to serve new growth and development;  
37 and

1 (c) To ensure that impact fees are imposed through established  
2 procedures and criteria so that specific developments do not pay  
3 arbitrary fees or duplicative fees for the same impact.

4 (2) Counties, cities, and towns that are required or choose to plan  
5 under RCW 36.70A.040 are authorized to impose impact fees on  
6 development activity as part of the financing for public facilities,  
7 provided that the financing for system improvements to serve new  
8 development must provide for a balance between impact fees and other  
9 sources of public funds and cannot rely solely on impact fees.

10 (3) The impact fees:

11 (a) Shall only be imposed for system improvements that are  
12 reasonably related to the new development;

13 (b) Shall not exceed a proportionate share of the costs of system  
14 improvements that are reasonably related to the new development; and

15 (c) Shall be used for system improvements that will reasonably  
16 benefit the new development.

17 The total amount of any impact fees and any sewer or water hookup  
18 charges shall not exceed five percent of the value of the structure as  
19 indicated on the building permit.

20 (4) Impact fees may be collected and spent only for the public  
21 facilities defined in RCW 82.02.090 which are addressed by a capital  
22 facilities plan element of a comprehensive land use plan adopted  
23 pursuant to the provisions of RCW 36.70A.070 or the provisions for  
24 comprehensive plan adoption contained in chapter 36.70, 35.63, or  
25 35A.63 RCW. After July 1, 1993, continued authorization to collect and  
26 expend impact fees shall be contingent on the county, city, or town  
27 adopting or revising a comprehensive plan in compliance with RCW  
28 36.70A.070, and on the capital facilities plan identifying:

29 (a) Deficiencies in public facilities serving existing development  
30 and the means by which existing deficiencies will be eliminated within  
31 a reasonable period of time;

32 (b) Additional demands placed on existing public facilities by new  
33 development; and

34 (c) Additional public facility improvements required to serve new  
35 development.

36 If the capital facilities plan of the county, city, or town is  
37 complete other than for the inclusion of those elements which are the  
38 responsibility of a special district, the county, city, or town may

1 impose impact fees to address those public facility needs for which the  
2 county, city, or town is responsible.

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