

SENATE BILL REPORT

SHB 1625

As of March 22, 1995

Title: An act relating to payment of impact fees.

Brief Description: Regulating payment of impact fees.

Sponsors: House Committee on Government Operations (originally sponsored by Representatives Reams, Brumsickle, Casada, Morris, Hargrove, Buck, Radcliff, Benton, Grant, Talcott, Hymes, Thompson, Elliot and Huff).

Brief History:

Committee Activity: Government Operations: 3/29/95.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Staff: Rod McAulay (786-7754)

Background:

Growth Management Act. Counties and cities planning under all of the requirements of the Growth Management Act are authorized to impose impact fees on development activity to finance the proportionate share of the cost of certain public facilities necessitated by the development activities. Impact fees may be imposed to finance: (a) Streets and roads; (b) parks and open spaces; (c) schools; and (c) city fire protection facilities.

Impact fees under the Growth Management Act are restricted by a number of factors. Among other limitations, impact fees may only be imposed for system improvements "reasonably related to the new development," shall not exceed the "proportionate share" of the costs of the facilities reasonably related to the new development, and shall be used for system improvements that will "reasonably benefit" the new development. When imposing impact fees, credit must be given for "past and future payments made or reasonably anticipated to be made by the new development."

The Growth Management Act includes concurrency requirements, which provide that public facilities necessary to support new development should be adequate to serve the development at the time the development is available for occupancy without decreasing current service levels below locally established minimum standards.

Subdivision and Platting Act. The Subdivision and Platting Act requires counties and cities to review most proposed divisions of land. A proposed division of land shall not be approved unless the county or city makes written findings that the public interest will be served and appropriate provisions are made for various public facilities, including water supplies, sewage disposal, roads and streets, and schools. Dedication of land, provision of facilities, and payment of impact fees under the Growth Management Act are used to meet these requirements.

State Environmental Policy Act. The State Environmental Policy Act (SEPA) requires local governments and state agencies to prepare a detailed statement, or environmental impact statement, if proposed legislation or other major action may have a probable significant, adverse impact on the environment.

The determination whether a detailed statement must be prepared involves a threshold determination and use of an environmental checklist. A detailed statement inquires into a variety of matters, including environmental and public facility impacts. Some matters, such as minor new construction or minor land use decisions, are categorically exempt from a threshold determination.

If it appears that a probable significant adverse environmental impact may result, the proposal may be altered, or mitigation required. Mitigation could include providing facilities or paying moneys to be used to lessen the impact. If the probable significant adverse environmental impact remains then a detailed statement, or environmental impact statement, is prepared. The environmental impact statement is limited, or scoped, to address the matter or matters that are determined under the threshold determination process to have a probable significant adverse environmental impact.

Summary of Bill: Payment of an impact fee under the Growth Management Act for a type of public facility is declared to constitute full and complete compliance with concurrency requirements in the act for that facility.

Impact fees under the Growth Management Act on residential construction must be collected at the time of home title transfer to the occupant or certificate of occupancy, or 12 months after the building permit is issued.

The flexibility of a project applicant in responding to a probable significant impact under SEPA is reduced by limiting the purposes for which impact fees can be imposed. The fees can only be paid under SEPA to mitigate impacts on four types of public facilities for which impact fees under the Growth Management Act may be imposed, i.e., roads and streets, schools, parks and open space, and city fire protection facilities. Payment of an impact fee under SEPA constitutes full and complete compliance with the requirements of any other law relating to the provision of the same facility.

Impact fees under the Platting and Subdivision Act are limited to only the four types of public facilities for which impact fees may be imposed under the Growth Management Act, i.e., roads and streets, schools, parks and open space, and city fire protection facilities. Payment of an impact fee under the Growth Management Act or SEPA constitutes full and complete compliance with the requirements of the Platting and Subdivision Act, or any other statute for the provision of the public facility for which the fee is paid.

Appropriation: None.

Fiscal Note: Requested on March 1, 1995.

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