Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Local Government Committee

HB 1331

Brief Description: Concerning early learning facility impact fees.

Sponsors: Representatives Harris-Talley, Senn, Berry, Callan, Fitzgibbon, Wicks, Ortiz-Self, Chopp, Davis, Valdez, Bateman, Eslick, Ormsby, Lovick, Fey, Berg, Rule, Lekanoff, Frame, Duerr, Pollet, Macri, Slatter and Peterson.

Brief Summary of Bill

- Provides that development of an early learning facility qualifies as a development activity with a broad public purpose for potential impact fee exemptions.
- Prohibits a local government from imposing an impact fee on early learning facility development greater than those imposed on comparably sized commercial retail or commercial office development.

Hearing Date: 2/2/21

Staff: Kellen Wright (786-7134).

Background:

Impact fees are assessed by a local government on a new development to help pay for the increased services that will be required because of that development. For example, if a new residential development would require increased school facilities for the residents, then an impact fee could be assessed to pay for the new facilities.

Local governments planning under the Growth Management Act are authorized to impose impact fees for public streets, publicly owned parks and recreation facilities, school facilities, and fire protection facilities. This authority is contingent on the local government revising its

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comprehensive plan to identify current deficiencies in public facilities serving existing development and how those deficiencies will be eliminated within a reasonable period of time; the additional demands placed on existing public facilities by new development; and the additional public facility improvements required to serve new development. Impact fees may only be used on public facilities that are included in the capital facilities element of the comprehensive plan, that are reasonably related to the new development, that are designed to provide service to the community at large, and that will also reasonably benefit the new development.

These new facilities cannot be solely financed through impact fees. In addition, impact fees cannot be used to correct deficiencies in current public facilities, and the impact fees assessed cannot exceed a proportionate share of the costs of a facility that are reasonably related to the new development. The local government can provide exemptions from impact fees for low-income housing or other development activities with a broad public purpose. If the local government does provide an exemption, then the impact fee that would have been paid for the development must be paid from public funds.

The ordinance establishing impact fees must include a schedule of impact fees for each type of development activities, and must specify what the fees will be used for. Impact fees must generally be collected prior to construction, and must be kept in a separate account depending on the type of public facility it was collected for. Local governments collecting impact fees must produce an annual report detailing the fees that have been collected and what they have been used for. If impact fees are not used within 10 years of collection, they generally must be returned. A developer who has paid an impact fee may receive a refund if the development does not proceed and no impact materializes.

Summary of Bill:

Development activities with a broad public purpose that a local government may exempt from impact fees includes the development of an early learning facility.

A local government may not impose an impact fee on development activities of an early learning facility greater than those imposed on comparably sized commercial retail or commercial office development activities.

Appropriation: None.

Fiscal Note: Available.

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