Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Local Government Committee

HB 1135

Brief Description: Authorizing impact fee revenue to fund improvements to bicycle and pedestrian facilities.

Sponsors: Representatives Slatter, Walen, Reed, Berry, Ramel, Fitzgibbon, Doglio, Wylie, Pollet, Kloba and Tharinger.

Brief Summary of Bill

- Adds bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use as public facilities for which impact fees can be used.

Hearing Date: 1/18/23

Staff: Kellen Wright (786-7134).

Background:

Impact fees are one-time charges 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 new residents, then an impact fee could be assessed on the residential development to help pay for the facilities. Approval of a new development may be conditioned on the payment of impact fees.

Local governments planning under the Growth Management Act are authorized to impose impact fees for public streets and roads; publicly owned parks and recreation facilities; school facilities; and fire protection facilities. This authority is contingent on the local government revising its 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. The public facilities must be reasonably related to the new development, must reasonably benefit it, and must be designed to provide service areas to the community at large.

These new facilities may not be solely financed through impact fees, and impact fees cannot be used to correct preexisting deficiencies in current public facilities. The impact fees assessed on a new development may not exceed that share of the costs of a facility that are reasonably related to the service demands and needs of the new development. The local government may provide exemptions from impact fees for low-income housing, development of an early learning facility, or other development activities with a broad public purpose. If a waiver is provided, the fees for the development must normally be paid from other public funds. Generally, impact fees must be paid prior to construction, though, with some limitations, deferral of fee collection until later must be offered for new single-family residential construction.

The ordinance establishing impact fees must include a schedule of impact fees for each type of development activity and the fee imposed for each kind of facility. Each type of impact fee collected must be kept in a separate account based on the type of public facility for which it was collected. Local governments that impose impact fees must provide for an administrative process for appealing the fee, and the fee may be modified if it is determined that it is fair to do so. Local governments collecting impact fees must produce an annual report detailing the fees that have been collected and what the fees 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:

Local governments planning under the Growth Management Act are authorized to impose impact fees for public streets, roads, and bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use; publicly owned parks and recreation facilities; school facilities; and fire protection facilities.

Appropriation: None.

Fiscal Note: Requested on January 9, 2023.

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