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HOUSE BILL 2902

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State of Washington

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By Representatives Heavey, Wilson, Cooper, Lisk, Zellinsky, Horn, Haugen, Ferguson, Beck, Brough, Bowman, Wynne, Winsley, Wood, Hochstatter, Mitchell and P. Johnson

Read first time 01/31/92. Referred to Committee on Local Government.

1 AN ACT Relating to impact fees; and amending RCW 82.02.050.

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

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

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

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

8 (b) To promote orderly growth and development by establishing  
9 standards by which counties, cities, and towns may require, by  
10 ordinance, that new growth and development pay a proportionate share of  
11 the cost of new facilities needed to serve new growth and development;  
12 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 one and one-half percent of the building  
14 permit valuation of the development activity or a proportionate share  
15 of the costs of system improvements that are reasonably related to the  
16 new development, whichever is less; and

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

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

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

1 (b) Additional demands placed on existing public facilities by new  
2 development; and

3 (c) Additional public facility improvements required to serve new  
4 development.

5 If the capital facilities plan of the county, city, or town is  
6 complete other than for the inclusion of those elements which are the  
7 responsibility of a special district, the county, city, or town may  
8 impose impact fees to address those public facility needs for which the  
9 county, city, or town is responsible.

10 (5) Before an impact fee ordinance may be adopted, an economic  
11 impact analysis must be completed to determine the affect of impact  
12 fees and other local regulations affecting housing on the ability of  
13 median-income wage earners living in the area to afford housing. The  
14 economic impact analysis shall be conducted following a model developed  
15 by the department of community development using the principles stated  
16 in chapters 19.85 and 43.21H RCW and relating the information to an  
17 "affordability index" developed by the department.