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**SUBSTITUTE SENATE BILL 6296**

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**State of Washington**

**53rd Legislature**

**1994 Regular Session**

**By** Senate Committee on Transportation (originally sponsored by Senator Skratek)

Read first time 02/08/94.

1 AN ACT Relating to payment for improvements to state-owned or  
2 operated transportation facilities; amending RCW 36.70A.020,  
3 36.70A.030, 36.70A.070, 36.70A.280, 82.02.050, 82.02.060, 82.02.070,  
4 and 82.02.090; and adding a new section to chapter 36.70A RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.70A RCW  
7 to read as follows:

8 State-owned or operated transportation facilities are a critical  
9 component of a region's transportation system. The legislature  
10 recognizes that failure to enlist the cooperation of local governments  
11 in securing appropriate mitigation for state-owned or operated  
12 transportation facilities will increase traffic congestion, create  
13 longer commuter peak periods, and decrease economic productivity. This  
14 chapter provides that concurrent transportation improvements or  
15 strategies be made to accommodate the impacts of new development. The  
16 financial burden of maintaining and improving regional transportation  
17 facilities, including those transportation facilities owned or operated  
18 by the state, necessitates cooperative program planning and cost  
19 sharing for mitigation of those impacts caused by new development.

1       **Sec. 2.** RCW 36.70A.020 and 1990 1st ex.s. c 17 s 2 are each  
2 amended to read as follows:

3       The following goals are adopted to guide the development and  
4 adoption of comprehensive plans and development regulations of those  
5 counties and cities that are required or choose to plan under RCW  
6 36.70A.040. The following goals are not listed in order of priority  
7 and shall be used exclusively for the purpose of guiding the  
8 development of comprehensive plans and development regulations:

9       (1) Urban growth. Encourage development in urban areas where  
10 adequate public facilities and services exist or can be provided in an  
11 efficient manner.

12       (2) Reduce sprawl. Reduce the inappropriate conversion of  
13 undeveloped land into sprawling, low-density development.

14       (3) Transportation. Encourage efficient multimodal transportation  
15 systems that are based on regional priorities and coordinated with  
16 county and city comprehensive plans.

17       (4) Housing. Encourage the availability of affordable housing to  
18 all economic segments of the population of this state, promote a  
19 variety of residential densities and housing types, and encourage  
20 preservation of existing housing stock.

21       (5) Economic development. Encourage economic development  
22 throughout the state that is consistent with adopted comprehensive  
23 plans, promote economic opportunity for all citizens of this state,  
24 especially for unemployed and for disadvantaged persons, and encourage  
25 growth in areas experiencing insufficient economic growth, all within  
26 the capacities of the state's natural resources, public services, and  
27 public facilities.

28       (6) Property rights. Private property shall not be taken for  
29 public use without just compensation having been made. The property  
30 rights of landowners shall be protected from arbitrary and  
31 discriminatory actions.

32       (7) Permits. Applications for both state and local government  
33 permits should be processed in a timely and fair manner to ensure  
34 predictability.

35       (8) Natural resource industries. Maintain and enhance natural  
36 resource-based industries, including productive timber, agricultural,  
37 and fisheries industries. Encourage the conservation of productive  
38 forest lands and productive agricultural lands, and discourage  
39 incompatible uses.

1 (9) Open space and recreation. Encourage the retention of open  
2 space and development of recreational opportunities, conserve fish and  
3 wildlife habitat, increase access to natural resource lands and water,  
4 and develop parks.

5 (10) Environment. Protect the environment and enhance the state's  
6 high quality of life, including air and water quality, and the  
7 availability of water.

8 (11) Citizen participation and coordination. Encourage the  
9 involvement of citizens in the planning process and ensure coordination  
10 between communities and jurisdictions to reconcile conflicts.

11 (12) Public facilities and services. Ensure that those public  
12 facilities and services necessary to support development shall be  
13 adequate to serve the development at the time the development is  
14 available for occupancy and use without decreasing current service  
15 levels below locally established minimum standards. However, when  
16 state-owned or operated transportation facilities are located within  
17 local governmental jurisdictional boundaries, the state department of  
18 transportation and the appropriate local government entity shall  
19 collaboratively establish the level of service standards.

20 (13) Historic preservation. Identify and encourage the  
21 preservation of lands, sites, and structures, that have historical or  
22 archaeological significance.

23 **Sec. 3.** RCW 36.70A.030 and 1990 1st ex.s. c 17 s 3 are each  
24 amended to read as follows:

25 Unless the context clearly requires otherwise, the definitions in  
26 this section apply throughout this chapter.

27 (1) "Adopt a comprehensive land use plan" means to enact a new  
28 comprehensive land use plan or to update an existing comprehensive land  
29 use plan.

30 (2) "Agricultural land" means land primarily devoted to the  
31 commercial production of horticultural, viticultural, floricultural,  
32 dairy, apiary, vegetable, or animal products or of berries, grain, hay,  
33 straw, turf, seed, Christmas trees not subject to the excise tax  
34 imposed by RCW 84.33.100 through 84.33.140, or livestock, and that has  
35 long-term commercial significance for agricultural production.

36 (3) "City" means any city or town, including a code city.

37 (4) "Comprehensive land use plan," "comprehensive plan," or "plan"  
38 means a generalized coordinated land use policy statement of the

1 governing body of a county or city that is adopted pursuant to this  
2 chapter.

3 (5) "Critical areas" include the following areas and ecosystems:  
4 (a) Wetlands; (b) areas with a critical recharging effect on aquifers  
5 used for potable water; (c) fish and wildlife habitat conservation  
6 areas; (d) frequently flooded areas; and (e) geologically hazardous  
7 areas.

8 (6) "Department" means the department of community, trade, and  
9 economic development.

10 (7) "Development regulations" means any controls placed on  
11 development or land use activities by a county or city, including, but  
12 not limited to, zoning ordinances, official controls, planned unit  
13 development ordinances, subdivision ordinances, and binding site plan  
14 ordinances.

15 (8) "Forest land" means land primarily useful for growing trees,  
16 including Christmas trees subject to the excise tax imposed under RCW  
17 84.33.100 through 84.33.140, for commercial purposes, and that has  
18 long-term commercial significance for growing trees commercially.

19 (9) "Geologically hazardous areas" means areas that because of  
20 their susceptibility to erosion, sliding, earthquake, or other  
21 geological events, are not suited to the siting of commercial,  
22 residential, or industrial development consistent with public health or  
23 safety concerns.

24 (10) "Long-term commercial significance" includes the growing  
25 capacity, productivity, and soil composition of the land for long-term  
26 commercial production, in consideration with the land's proximity to  
27 population areas, and the possibility of more intense uses of the land.

28 (11) "Minerals" include gravel, sand, and valuable metallic  
29 substances.

30 (12) "Public facilities" include streets, roads, highways,  
31 sidewalks, street and road lighting systems, traffic signals, domestic  
32 water systems, storm and sanitary sewer systems, parks and recreational  
33 facilities, and schools.

34 (13) "Public services" include fire protection and suppression, law  
35 enforcement, public health, education, recreation, environmental  
36 protection, and other governmental services.

37 (14) "State-owned or operated transportation facilities" include,  
38 but are not limited to, the state ferry system and all routes  
39 designated as part of the state highway system.

1        (15) "Transportation improvements" include the physical,  
2 operational, or service changes to a transportation system for capacity  
3 enhancement.

4        (16) "Urban growth" refers to growth that makes intensive use of  
5 land for the location of buildings, structures, and impermeable  
6 surfaces to such a degree as to be incompatible with the primary use of  
7 such land for the production of food, other agricultural products, or  
8 fiber, or the extraction of mineral resources. When allowed to spread  
9 over wide areas, urban growth typically requires urban governmental  
10 services. "Characterized by urban growth" refers to land having urban  
11 growth located on it, or to land located in relationship to an area  
12 with urban growth on it as to be appropriate for urban growth.

13        ~~((15))~~ (17) "Urban growth areas" means those areas designated by  
14 a county pursuant to RCW 36.70A.110.

15        ~~((16))~~ (18) "Urban governmental services" include those  
16 governmental services historically and typically delivered by cities,  
17 and include storm and sanitary sewer systems, domestic water systems,  
18 street cleaning services, fire and police protection services, public  
19 transit services, and other public utilities associated with urban  
20 areas and normally not associated with nonurban areas.

21        ~~((17))~~ (19) "Wetland" or "wetlands" means areas that are  
22 inundated or saturated by surface water or ground water at a frequency  
23 and duration sufficient to support, and that under normal circumstances  
24 do support, a prevalence of vegetation typically adapted for life in  
25 saturated soil conditions. Wetlands generally include swamps, marshes,  
26 bogs, and similar areas. Wetlands do not include those artificial  
27 wetlands intentionally created from nonwetland sites, including, but  
28 not limited to, irrigation and drainage ditches, grass-lined swales,  
29 canals, detention facilities, wastewater treatment facilities, farm  
30 ponds, and landscape amenities. However, wetlands may include those  
31 artificial wetlands intentionally created from nonwetland areas created  
32 to mitigate conversion of wetlands, if permitted by the county or city.

33        **Sec. 4.** RCW 36.70A.070 and 1990 1st ex.s. c 17 s 7 are each  
34 amended to read as follows:

35        The comprehensive plan of a county or city that is required or  
36 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,  
37 and descriptive text covering objectives, principles, and standards  
38 used to develop the comprehensive plan. The plan shall be an

1 internally consistent document and all elements shall be consistent  
2 with the future land use map. A comprehensive plan shall be adopted  
3 and amended with public participation as provided in RCW 36.70A.140.

4 Each comprehensive plan shall include a plan, scheme, or design for  
5 each of the following:

6 (1) A land use element designating the proposed general  
7 distribution and general location and extent of the uses of land, where  
8 appropriate, for agriculture, timber production, housing, commerce,  
9 industry, recreation, open spaces, public utilities, public facilities,  
10 and other land uses. The land use element shall include population  
11 densities, building intensities, and estimates of future population  
12 growth. The land use element shall provide for protection of the  
13 quality and quantity of ground water used for public water supplies.  
14 Where applicable, the land use element shall review drainage, flooding,  
15 and storm water run-off in the area and nearby jurisdictions and  
16 provide guidance for corrective actions to mitigate or cleanse those  
17 discharges that pollute waters of the state, including Puget Sound or  
18 waters entering Puget Sound.

19 (2) A housing element recognizing the vitality and character of  
20 established residential neighborhoods that: (a) Includes an inventory  
21 and analysis of existing and projected housing needs; (b) includes a  
22 statement of goals, policies, and objectives for the preservation,  
23 improvement, and development of housing; (c) identifies sufficient land  
24 for housing, including, but not limited to, government-assisted  
25 housing, housing for low-income families, manufactured housing,  
26 multifamily housing, and group homes and foster care facilities; and  
27 (d) makes adequate provisions for existing and projected needs of all  
28 economic segments of the community.

29 (3) A capital facilities plan element consisting of: (a) An  
30 inventory of existing capital facilities owned by public entities,  
31 showing the locations and capacities of the capital facilities; (b) a  
32 forecast of the future needs for such capital facilities; (c) the  
33 proposed locations and capacities of expanded or new capital  
34 facilities; (d) at least a six-year plan that will finance such capital  
35 facilities within projected funding capacities and clearly identifies  
36 sources of public money for such purposes; ((and)) (e) a requirement to  
37 reassess the land use element if probable funding falls short of  
38 meeting existing needs and to ensure that the land use element, capital  
39 facilities plan element, and financing plan within the capital

1 facilities plan element are coordinated and consistent; and (f) the  
2 six-year street, road, or transit program contained within the  
3 transportation element of the comprehensive plan as required by RCW  
4 36.70A.070(6)(c)(ii).

5 (4) A utilities element consisting of the general location,  
6 proposed location, and capacity of all existing and proposed utilities,  
7 including, but not limited to, electrical lines, telecommunication  
8 lines, and natural gas lines.

9 (5) Counties shall include a rural element including lands that are  
10 not designated for urban growth, agriculture, forest, or mineral  
11 resources. The rural element shall permit land uses that are  
12 compatible with the rural character of such lands and provide for a  
13 variety of rural densities.

14 (6) A transportation element that implements, and is consistent  
15 with, the land use element. The transportation element shall include  
16 the following subelements:

17 (a) Land use assumptions used in estimating travel;

18 (b) Facilities and services needs, including:

19 (i) An inventory of air, water, and land transportation facilities  
20 and services, including transit alignments, to define existing capital  
21 facilities and travel levels as a basis for future planning;

22 (ii) Level of service standards for all arterials and transit  
23 routes to serve as a gauge to judge performance of the system. These  
24 standards should be regionally coordinated. Local governments shall  
25 adopt level-of-service standards set jointly by the state department of  
26 transportation and the appropriate local government entity for state-  
27 owned or operated transportation facilities located within the local  
28 government's jurisdictional boundaries;

29 (iii) Specific actions and requirements for bringing into  
30 compliance any facilities or services that are below an established  
31 level of service standard;

32 (iv) Forecasts of traffic for at least ten years based on the  
33 adopted land use plan to provide information on the location, timing,  
34 and capacity needs of future growth;

35 (v) Identification of system expansion needs and transportation  
36 system management needs to meet current and future demands;

37 (c) Finance, including:

38 (i) An analysis of funding capability to judge needs against  
39 probable funding resources;

1 (ii) A multiyear financing plan based on the needs identified in  
2 the comprehensive plan, the appropriate parts of which shall serve as  
3 the basis for the six-year street, road, or transit program required by  
4 RCW 35.77.010 for cities, RCW 36.81.121 for counties, RCW 47.05.030 for  
5 the state, and RCW 35.58.2795 for public transportation systems;

6 (iii) If probable funding falls short of meeting identified needs,  
7 a discussion of how additional funding will be raised, or how land use  
8 assumptions will be reassessed to ensure that level of service  
9 standards will be met;

10 (d) Intergovernmental coordination efforts, including an assessment  
11 of the impacts of the transportation plan and land use assumptions on  
12 the transportation systems of adjacent jurisdictions;

13 (e) Demand-management strategies.

14 After adoption of the comprehensive plan by jurisdictions required  
15 to plan or who choose to plan under RCW 36.70A.040, local jurisdictions  
16 must adopt and enforce ordinances which prohibit development approval  
17 if (~~the development causes~~) the level of service on a transportation  
18 facility (~~to decline~~) is or would be below the standards adopted in  
19 the transportation element of the comprehensive plan, unless  
20 transportation improvements or strategies to accommodate the impacts of  
21 development are made concurrent with the development. These strategies  
22 may include impact fees under chapter 82.02 RCW, increased public  
23 transportation service, ride sharing programs, demand management, and  
24 other transportation systems management strategies. If a development  
25 application is approved, impact fees may only be assessed for those  
26 transportation improvements reasonably related to service needs created  
27 by that development. For the purposes of this subsection (6)  
28 "concurrent with the development" shall mean that improvements or  
29 strategies are in place at the time of development, or that a financial  
30 commitment is in place to complete the improvements or strategies  
31 within six years.

32 The transportation element described in this subsection, and the  
33 six-year plans required by RCW 35.77.010 for cities, RCW 36.81.121 for  
34 counties, and RCW 35.58.2795 for public transportation systems, must be  
35 consistent.

36 **Sec. 5.** RCW 36.70A.280 and 1991 sp.s. c 32 s 9 are each amended to  
37 read as follows:



1 (1) A growth planning hearings board shall hear and determine only  
2 those petitions alleging (~~either~~): (a) That a state agency, county,  
3 or city is not in compliance with the requirements of this chapter, or  
4 chapter 43.21C RCW as it relates to plans, regulations, and amendments  
5 thereto, adopted under RCW 36.70A.040; (~~or~~) (b) that the twenty-year  
6 growth management planning population projections adopted by the office  
7 of financial management pursuant to RCW 43.62.035 should be adjusted;  
8 (c) that the level-of-service standard adopted for state-owned or  
9 operated transportation facilities under RCW 36.70A.070 should be  
10 amended; or (d) that an impact fee assessed for impacts to a state-  
11 owned or operated transportation facility violates RCW 82.02.050.

12 (2) A petition may be filed only by the state, a county or city  
13 that plans under this chapter, a person who has either appeared before  
14 the county or city regarding the matter on which a review is being  
15 requested or is certified by the governor within sixty days of filing  
16 the request with the board, or a person qualified pursuant to RCW  
17 34.05.530.

18 (3) For purposes of this section "person" means any individual,  
19 partnership, corporation, association, governmental subdivision or unit  
20 thereof, or public or private organization or entity of any character.

21 (4) When considering a possible adjustment to a growth management  
22 planning population projection prepared by the office of financial  
23 management, a board shall consider the implications of any such  
24 adjustment to the population forecast for the entire state.

25 The rationale for any adjustment that is adopted by a board must be  
26 documented and filed with the office of financial management within ten  
27 working days after adoption.

28 If adjusted by a board, a county growth management planning  
29 population projection shall only be used for the planning purposes set  
30 forth in this chapter and shall be known as a "board adjusted  
31 population projection". None of these changes shall affect the  
32 official state and county population forecasts prepared by the office  
33 of financial management, which shall continue to be used for state  
34 budget and planning purposes.

35 **Sec. 6.** RCW 82.02.050 and 1993 sp.s. c 6 s 6 are each amended to  
36 read as follows:

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

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

3 (b) To promote orderly growth and development by establishing  
4 standards by which counties, cities, and towns may require, by  
5 ordinance, that new growth and development pay a proportionate share of  
6 the cost of new facilities or improvements to existing facilities,  
7 including state-owned or operated transportation facilities, needed to  
8 serve new growth and development; and

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

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

18 (3) The impact fees:

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

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

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

25 (4) Impact fees may be collected and spent only for the public  
26 facilities defined in RCW 82.02.090 which are addressed by a capital  
27 facilities plan element of a comprehensive land use plan adopted  
28 pursuant to the provisions of RCW 36.70A.070 or the provisions for  
29 comprehensive plan adoption contained in chapter 36.70, 35.63, or  
30 35A.63 RCW. After the date a county, city, or town is required to  
31 adopt its comprehensive plan and development regulations under chapter  
32 36.70A RCW, continued authorization to collect and expend impact fees  
33 shall be contingent on the county, city, or town adopting or revising  
34 a comprehensive plan in compliance with RCW 36.70A.070, and on the  
35 capital facilities plan identifying:

36 (a) Deficiencies in public facilities serving existing development  
37 and the means by which existing deficiencies will be eliminated within  
38 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 or on behalf of the state  
10 department of transportation to mitigate impacts to state-owned or  
11 operated transportation facilities.

12 **Sec. 7.** RCW 82.02.060 and 1990 1st ex.s. c 17 s 44 are each  
13 amended to read as follows:

14 The local ordinance by which impact fees are imposed:

15 (1) Shall include a schedule of impact fees which shall be adopted  
16 for each type of development activity that is subject to impact fees,  
17 specifying the amount of the impact fee to be imposed for each type of  
18 system improvement. The schedule shall be based upon a formula or  
19 other method of calculating such impact fees. In determining  
20 proportionate share, the formula or other method of calculating impact  
21 fees shall incorporate, among other things, the following:

22 (a) The cost of public facilities and improvements to them  
23 necessitated by new development;

24 (b) An adjustment to the cost of the public facilities for past or  
25 future payments made or reasonably anticipated to be made by new  
26 development to pay for particular system improvements in the form of  
27 user fees, debt service payments, taxes, or other payments earmarked  
28 for or proratable to the particular system improvement;

29 (c) The availability of other means of funding public facility  
30 improvements;

31 (d) The cost of existing public facilities improvements; and

32 (e) The methods by which public facilities improvements were  
33 financed;

34 (2) May provide an exemption for low-income housing, and other  
35 development activities with broad public purposes, from these impact  
36 fees, provided that the impact fees for such development activity shall  
37 be paid from public funds other than impact fee accounts;

1 (3) Shall provide a credit for the value of any dedication of land  
2 for, improvement to, or new construction of any system improvements  
3 provided by the developer, to facilities that are identified in the  
4 capital facilities plan and that are required by the county, city, or  
5 town as a condition of approving the development activity;

6 (4) Shall allow the county, city, or town imposing the impact fees  
7 to adjust the standard impact fee at the time the fee is imposed to  
8 consider unusual circumstances in specific cases to ensure that impact  
9 fees are imposed fairly, if the state department of transportation  
10 concur insofar as state-owned or operated transportation facilities  
11 are impacted;

12 (5) Shall include a provision for calculating the amount of the fee  
13 to be imposed on a particular development that permits consideration of  
14 studies and data submitted by the developer to adjust the amount of the  
15 fee;

16 (6) Shall establish one or more reasonable service areas within  
17 which it shall calculate and impose impact fees for various land use  
18 categories per unit of development;

19 (7) May provide for the imposition of an impact fee for system  
20 improvement costs previously incurred by a county, city, ~~((or))~~ town,  
21 or the state to the extent that new growth and development will be  
22 served by the previously constructed improvements provided such fee  
23 shall not be imposed to make up for any system improvement  
24 deficiencies.

25 **Sec. 8.** RCW 82.02.070 and 1990 1st ex.s. c 17 s 46 are each  
26 amended to read as follows:

27 (1) Impact fee receipts shall be earmarked specifically and  
28 retained in special interest-bearing accounts. Separate accounts shall  
29 be established for each type of public facility for which impact fees  
30 are collected. All interest shall be retained in the account and  
31 expended for the purpose or purposes for which the impact fees were  
32 imposed. Annually, each county, city, or town imposing impact fees  
33 shall provide a report on each impact fee account showing the source  
34 and amount of all moneys collected, earned, or received and system  
35 improvements that were financed in whole or in part by impact fees.

36 (2) Impact fees for system improvements shall be expended only in  
37 conformance with the capital facilities plan element of the  
38 comprehensive plan.

1 (3) Impact fees shall be expended or encumbered for a permissible  
2 use within six years of receipt, unless there exists an extraordinary  
3 and compelling reason for fees to be held longer than six years. Such  
4 extraordinary or compelling reasons shall be identified in written  
5 findings by the governing body of the county, city, ~~((or))~~ town, or  
6 when the impact fee is for a state-owned or operated transportation  
7 facility, the state.

8 (4) Impact fees may be paid under protest in order to obtain a  
9 permit or other approval of development activity.

10 (5) Each county, city, or town that imposes impact fees shall  
11 provide for an administrative appeals process for the appeal of an  
12 impact fee; the process may follow the appeal process for the  
13 underlying development approval or the county, city, or town may  
14 establish a separate appeals process. However, the growth planning  
15 hearings board within which the state-owned or operated transportation  
16 facility is located shall review appeals of impact fees assessed for  
17 impacts to state-owned or operated transportation facilities. The  
18 impact fee may be modified upon a determination that it is proper to do  
19 so based on principles of fairness. The county, city, or town may  
20 provide for the resolution of disputes regarding impact fees by  
21 arbitration.

22 **Sec. 9.** RCW 82.02.090 and 1990 1st ex.s. c 17 s 48 are each  
23 amended to read as follows:

24 Unless the context clearly requires otherwise, the following  
25 definitions shall apply in RCW 82.02.050 through 82.02.090:

26 (1) "Development activity" means any construction or expansion of  
27 a building, structure, or use, any change in use of a building or  
28 structure, or any changes in the use of land, that creates additional  
29 demand and need for public facilities.

30 (2) "Development approval" means any written authorization from a  
31 county, city, or town which authorizes the commencement of development  
32 activity.

33 (3) "Impact fee" means a payment of money imposed upon development  
34 as a condition of development approval to pay for public facilities  
35 needed to serve new growth and development, and that is reasonably  
36 related to the new development that creates additional demand and need  
37 for public facilities, that is a proportionate share of the cost of the  
38 public facilities, and that is used for facilities that reasonably

1 benefit the new development. "Impact fee" does not include a  
2 reasonable permit or application fee.

3 (4) "Owner" means the owner of record of real property, although  
4 when real property is being purchased under a real estate contract, the  
5 purchaser shall be considered the owner of the real property if the  
6 contract is recorded.

7 (5) "Proportionate share" means that portion of the cost of public  
8 facility improvements that are reasonably related to the service  
9 demands and needs of new development.

10 (6) "Project improvements" mean site improvements and facilities  
11 that are planned and designed to provide service for a particular  
12 development project and that are necessary for the use and convenience  
13 of the occupants or users of the project, and are not system  
14 improvements. No improvement or facility included in a capital  
15 facilities plan approved by the governing body of the county, city, or  
16 town shall be considered a project improvement.

17 (7) "Public facilities" means the following capital facilities  
18 owned or operated by government entities: (a) Public streets and  
19 roads, including state-owned or operated transportation facilities as  
20 defined in RCW 36.70A.030; (b) publicly owned parks, open space, and  
21 recreation facilities; (c) school facilities; and (d) fire protection  
22 facilities in jurisdictions that are not part of a fire district.

23 (8) "Service area" means a geographic area defined by a county,  
24 city, town, or intergovernmental agreement in which a defined set of  
25 public facilities provide service to development within the area.  
26 Service areas shall be designated on the basis of sound planning or  
27 engineering principles.

28 (9) "System improvements" mean public facilities that are included  
29 in the capital facilities plan and are designed to provide service to  
30 service areas within the community at large, in contrast to project  
31 improvements.

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