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HOUSE BILL 2108

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State of Washington

58th Legislature

2003 Regular Session

By Representatives Schindler, Hinkle, Ahern, Condotta, Armstrong, Cox, Woods, Boldt, Clements, Schoesler, Talcott, Bush, Skinner, McMahan, Ericksen, Delvin, Buck and Bailey

Read first time 02/25/2003. Referred to Committee on Local Government.

1 AN ACT Relating to restoring the American Dream by eliminating  
2 impact fees in counties and cities in counties where the first time  
3 home buyer housing affordability index shows that housing is not  
4 affordable; amending RCW 82.02.100; adding new sections to chapter  
5 82.02 RCW; and creating a new section.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that first time home  
8 buyers in Washington state have been priced out of the housing market  
9 in many counties. The legislature finds that many organizations,  
10 including local governments, have recognized the affordable housing  
11 crisis for first time home buyers. The legislature finds that, for  
12 example, as reported in King county's benchmark growth report, "buying  
13 a first home remains extremely difficult for those under 120% of median  
14 income." The legislature further finds that impact fees contribute to  
15 the high cost of housing in many Washington counties, and that  
16 eliminating these fees will reduce housing prices. The legislature  
17 intends to make housing more affordable for first time home buyers in  
18 counties where housing is currently not affordable for first time home

1 buyers. The legislature intends to do this by eliminating impact fees  
2 in counties where the "first time buyer housing affordability index"  
3 demonstrates that housing is not affordable for first time home buyers.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.02 RCW  
5 to read as follows:

6 (1) As used in this chapter, the "first time buyer housing  
7 affordability index" means the index determined by the Washington  
8 center for real estate research that measures the ability of a typical  
9 renter household to afford the purchase of a typical starter home by  
10 assuming: (a) The household will purchase a home priced at eighty-five  
11 percent of area median with a ten percent down payment; (b) the home  
12 mortgage loan is for a term of thirty years at the prevailing average  
13 fixed rate of interest; (c) the potential first time home buyer earns  
14 seventy percent of the area median household income and twenty-five  
15 percent of household income can be used for principal and interest  
16 payments.

17 (2) For purposes of this chapter, a "first time buyer housing  
18 affordability index" of: (a) One hundred indicates that a household of  
19 the defined income can afford a home of the defined price; (b) less  
20 than one hundred indicates that a household of the defined income  
21 cannot afford a home of the defined price without spending more than  
22 twenty-five percent of their income on mortgage payments; and (c)  
23 greater than one hundred indicates that a household of the defined  
24 income can afford a home of the defined price while spending less than  
25 twenty-five percent of their income on mortgage payments.

26 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.02 RCW  
27 to read as follows:

28 (1) In any county in which the first time buyer housing  
29 affordability index, as defined in section 2 of this act and as  
30 determined by the Washington center for real estate research at  
31 Washington State University, is less than one hundred for three-  
32 quarters in any given year, the county and cities located within the  
33 county shall not collect impact fees under this chapter for the  
34 following two years.

35 (2) The year-long period measured by the Washington center for real  
36 estate research under subsection (1) of this section shall begin and

1 end in the third quarter of the calendar year. The time period for  
2 which the ability to collect impact fees under this chapter is  
3 suspended under subsection (1) of this section shall begin January 1 of  
4 the year following the determination by the Washington center for real  
5 estate research.

6 **Sec. 4.** RCW 82.02.100 and 1992 c 219 s 2 are each amended to read  
7 as follows:

8 (1) A person required to pay a fee pursuant to RCW 43.21C.060 for  
9 system improvements shall not be required to pay an impact fee under  
10 RCW 82.02.050 through 82.02.090 for those same system improvements.

11 (2) A county prohibited from imposing a fee for system improvements  
12 under section 3 of this act may not impose a fee under RCW 43.21C.060  
13 for those same system improvements.

14 (3) A county prohibited from imposing a fee for system improvements  
15 under section 3 of this act may not require a dedication of land under  
16 RCW 58.17.110 for those same system improvements.

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