

HOUSE BILL REPORT

HB 2110

As Reported by House Committee On:
Local Government

Title: An act relating to allowing all fire protection facilities to use impact fees.

Brief Description: Allowing all fire protection facilities to use impact fees.

Sponsors: Representatives Simpson, Ericks, Dunshee, P. Sullivan and Ormsby.

Brief History:

Committee Activity:

Local Government: 2/20/07, 2/26/07 [DP].

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Expands the use of impact fees for the funding of fire protection facilities that include those facilities located within a fire district.
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HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 4 members: Representatives Simpson, Chair; Eddy, Vice Chair; B. Sullivan and Takko.

Minority Report: Do not pass. Signed by 3 members: Representatives Curtis, Ranking Minority Member; Schindler, Assistant Ranking Minority Member and Ross.

Staff: Jessica Nowakowski (786-7291) and Ethan Moreno (786-7386).

Background:

Counties, cities, and towns that plan under the major provisions of the Growth Management Act (GMA) are authorized to impose impact fees on development activity as part of the financing of public facilities. Impact fees are payments of money required of developers as a condition of development approval. Local governments are required to use impact fees to pay for certain public facilities that are made necessary as the result of a development and must ensure that such fees are:

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- used only for system improvements that are reasonably related to the impact of the development on the use of public facilities;
- do not exceed a proportionate share of the cost of system improvements made necessary by the development; and
- are used for system improvements that reasonably benefit the new development.

Furthermore, in determining how system improvements are to be financed, a local government must provide for a balance between impact fees and other sources of public funds and cannot rely solely on impact fees.

Local ordinances must also include a fee schedule for each type of development activity subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule must be based upon a formula or other method of calculating the prorated impact fee. In determining the proportionate share of the fee to be paid by a developer, the formula or method must incorporate:

- the cost of public facilities necessitated by new development;
- an adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;
- the availability of other means of funding public facility improvements;
- the cost of existing public facilities improvements; and
- the methods by which public facilities improvements were financed.

The types of "public facilities" which may receive funding from impact fees are limited to specified types of capital facilities owned or operated by government entities. Such public facilities are limited to the following:

- public streets and roads;
- publicly owned parks, open space, and recreation facilities;
- school facilities; and
- fire protection facilities *in jurisdictions that are not part of a fire district.*

Fire protection districts are created to provide fire and emergency services to protect life and property in locales outside of cities and towns. A fire protection district may be established through a process involving a petition by the residents of a proposed district, a public hearing, and voter approval.

Summary of Bill:

The authority of a governmental entity to use impact fees for the funding of fire protection facilities is expanded to include *all* fire protection facilities, including those located within a fire district.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This bill is very similar to legislation heard in the 2005/2006 session. The dynamic of providing fire protection services has dramatically changed. Continued growth creates difficulty in meeting the needs of areas, and fire protection districts do not have the funding to provide their services. Collecting impact fees will better enable cities to provide services. Cities that have annexed into a fire protection district lack the revenue tools to address improvements and upgrade facilities. The decision to collect impact fees will be a local decision by local governments and citizens. This bill addresses issues of fairness.

(Opposed) Using impact fees as a revenue source is ineffective and inadequate. The cost of impact fees contributes to a lack of affordable housing and increased property values for everyone. This bill creates an increased reliance on impact fees, which are an unstable source of revenue.

Persons Testifying: (In support) Jim Schneider, City of Kent Fire Department; Dave Williams, Association of Washington Cities; and Bud Sizemore, Washington State Council of Fire Fighters.

(Opposed) Trent Matson, Building Industry Association of Washington.

Persons Signed In To Testify But Not Testifying: None.