

HOUSE BILL REPORT

HB 3246

As Reported by House Committee On:
Local Government

Title: An act relating to the time limits of school impact fee expenditures.

Brief Description: Concerning the time limits of school impact fee expenditures.

Sponsors: Representatives Fromhold and Flannigan.

Brief History:

Committee Activity:

Local Government: 2/4/08, 2/5/08 [DP].

Brief Summary of Bill

- Allows school impact fees to be expended or encumbered within 10 years, rather than six years, of receipt.
- Requires the Office of the Superintendent of Public Instruction to develop criteria for extending the use of school impact fees.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 5 members: Representatives Simpson, Chair; Takko, Vice Chair; Warnick, Ranking Minority Member; Eddy and Nelson.

Minority Report: Without recommendation. Signed by 2 members: Representatives Schindler, Assistant Ranking Minority Member; Schmick.

Staff: Lyset Cadena (786-7291) and Ethan Moreno (786-7386).

Background:

Jurisdictions that fully plan under the Growth Management Act (GMA) may impose impact fees on development activity as part of the financing of public facilities needed to serve new growth and development. This financing must provide a balance between impact fees and other sources of public funds and cannot rely solely on impact fees. Additionally, impact fees:

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- may only be imposed for system improvements, a term defined in statute, that are reasonably related to the new development;
- may not exceed a proportionate share of the costs of system improvements; and
- must be used for system improvements that will reasonably benefit the new development.

Impact fees may be collected and spent only for qualifying public facilities that are included within a capital facilities plan element of a comprehensive plan adopted under the GMA. "Public facilities," within the context of impact fee statutes, are the following capital facilities that are owned or operated by government entities:

- 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.

Impact fees must be expended or encumbered within six years of receipt, unless there exists an extraordinary or compelling reason for fees to be held longer than six years. Extraordinary or compelling reasons must be identified in written findings by the governing body of the county, city, or town.

Summary of Bill:

Expenditure or encumbrance provisions for certain impact fees are modified. School impact fees must be expended or encumbered within 10 years of receipt, rather than six years, unless there exists an extraordinary or compelling reason for fees to be held longer than 10 years. Extraordinary or compelling reasons must be identified in written findings by the governing body of the county, city, or town.

The Office of the Superintendent of Public Instruction must develop criteria for extending the use of school impact fees from six to 10 years. The extension also requires an evaluation of each respective school board on the appropriateness of the extension.

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) A community work group was formed to address several issues relating to impact fees. The community work group recommended that school impact fees be expended or encumbered within 10 years, rather than six years, of receipt. A master plan designed by a

school district for the future development of a school takes longer than six years. Schools cannot use the impact fees for building a new school under the six-year requirement. Increasing the requirement to 10 years will allow schools that are planning on future development to develop a master plan and use the impact fees for the new development.

(Opposed) Increasing the requirement for school impact fees to be expended or encumbered from six years to 10 years will affect first-time homebuyers and low-income homebuyers. The current statute allows for an extension. School districts and local governments need the revenue from impact fees as soon as possible.

Persons Testifying: (In support) Marcia Fromhold, Quality Schools Coalition - Clark County.

(Opposition) Andrew Cook, Building Industry Association of Washington.

Persons Signed In To Testify But Not Testifying: None.