SENATE BILL REPORT
SB 6892

As Passed Senate, February 18, 2008

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: Senators Fraser, Brandland, Pridemore, McAuliffe and Rasmussen.

Brief History:
Committee Activity: Ways & Means: 2/11/08, 2/12/08 [DP, DNP, w/oRec].
Passed Senate: 2/18/08, 30-15.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.
Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Hatfield, Hewitt, Hobbs, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Rockefeller, Schoesler and Tom.

Minority Report: Do not pass.
Signed by Senator Honeyford.

Minority Report: That it be referred without recommendation.
Signed by Senators Carrell and Roach.

Staff: Bryon Moore (786-7726)

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:
- 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.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

"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 ten years. The extension also requires an evaluation of each respective school board on the appropriateness of the extension.

Appropriation: None.

Fiscal Note: Requested on February 6, 2008.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is about giving school districts another tool to address growth and was one of the recommendations from the Joint Task Force on School Construction.

Persons Testifying: PRO: Senator Fraser, prime sponsor.