

**EHB 1398** - S AMD 303

By Senators Hobbs, Litzow, Fain, Kilmer, Haugen

ADOPTED 03/08/2012

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 82.02.060 and 1990 1st ex.s. c 17 s 44 are each  
4 amended to read as follows:

5 The local ordinance by which impact fees are imposed:

6 (1) Shall include a schedule of impact fees which shall be adopted  
7 for each type of development activity that is subject to impact fees,  
8 specifying the amount of the impact fee to be imposed for each type of  
9 system improvement. The schedule shall be based upon a formula or  
10 other method of calculating such impact fees. In determining  
11 proportionate share, the formula or other method of calculating impact  
12 fees shall incorporate, among other things, the following:

13 (a) The cost of public facilities necessitated by new development;

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

19 (c) The availability of other means of funding public facility  
20 improvements;

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

22 (e) The methods by which public facilities improvements were  
23 financed;

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

28 (3) May provide an exemption from impact fees for low-income  
29 housing. Local governments that grant exemptions for low-income  
30 housing under this subsection (3) may either: Grant a partial  
31 exemption of not more than eighty percent of impact fees, in which case

1 there is no explicit requirement to pay the exempted portion of the fee  
2 from public funds other than impact fee accounts; or provide a full  
3 waiver, in which case the remaining percentage of the exempted fee must  
4 be paid from public funds other than impact fee accounts. An exemption  
5 for low-income housing granted under subsection (2) of this section or  
6 this subsection (3) must be conditioned upon requiring the developer to  
7 record a covenant that, except as provided otherwise by this  
8 subsection, prohibits using the property for any purpose other than for  
9 low-income housing. At a minimum, the covenant must address price  
10 restrictions and household income limits for the low-income housing,  
11 and that if the property is converted to a use other than for low-  
12 income housing, the property owner must pay the applicable impact fees  
13 in effect at the time of conversion. Covenants required by this  
14 subsection must be recorded with the applicable county auditor or  
15 recording officer. A local government granting an exemption under  
16 subsection (2) of this section or this subsection (3) for low-income  
17 housing may not collect revenue lost through granting an exemption by  
18 increasing impact fees unrelated to the exemption. A school district  
19 who receives school impact fees must approve any exemption under  
20 subsection (2) of this section or this subsection (3);

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

26 ((+4)) (5) Shall allow the county, city, or town imposing the  
27 impact fees to adjust the standard impact fee at the time the fee is  
28 imposed to consider unusual circumstances in specific cases to ensure  
29 that impact fees are imposed fairly;

30 ((+5)) (6) Shall include a provision for calculating the amount of  
31 the fee to be imposed on a particular development that permits  
32 consideration of studies and data submitted by the developer to adjust  
33 the amount of the fee;

34 ((+6)) (7) Shall establish one or more reasonable service areas  
35 within which it shall calculate and impose impact fees for various land  
36 use categories per unit of development; and

37 ((+7)) (8) May provide for the imposition of an impact fee for  
38 system improvement costs previously incurred by a county, city, or town

1 to the extent that new growth and development will be served by the  
2 previously constructed improvements provided such fee shall not be  
3 imposed to make up for any system improvement deficiencies.

4 For purposes of this section, "low-income housing" means housing  
5 with a monthly housing expense, that is no greater than thirty percent  
6 of eighty percent of the median family income adjusted for family size,  
7 for the county where the project is located, as reported by the United  
8 States department of housing and urban development."

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9 On page 1, line 1 of the title, after "fees;" strike the remainder  
10 of the title and insert "and amending RCW 82.02.060."

EFFECT: (1) Instead of providing an exemption of up to 60 percent from the payment of impact fees for low-income housing, local governments that grant exemptions for low-income housing may either:

(a) Grant a partial exemption of not more than 80 percent of impact fees, in which case there is no explicit requirement to pay the exempted fee from public funds other than impact fee accounts; or

(b) Provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts.

(2) School districts that receive impact fees must approve any exemption provided for low-income housing.

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