

SENATE BILL REPORT

SB 5452

As Passed Senate, February 28, 2023

Title: An act relating to authorizing impact fee revenue to fund improvements to bicycle and pedestrian facilities.

Brief Description: Authorizing impact fee revenue to fund improvements to bicycle and pedestrian facilities.

Sponsors: Senators Shewmake, Billig, Hasegawa, Kuderer, Lias, Nguyen, Pedersen, Saldaña and Valdez.

Brief History:

Committee Activity: Local Government, Land Use & Tribal Affairs: 1/24/23, 2/02/23 [DP, w/oRec].

Transportation: 2/13/23, 2/16/23 [DP, DNP, w/oRec].

Floor Activity: Passed Senate: 2/28/23, 34-14.

Brief Summary of Bill

- Amends the definition of public facilities, within the context of impact fees, to add bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use.

SENATE COMMITTEE ON LOCAL GOVERNMENT, LAND USE & TRIBAL AFFAIRS

Majority Report: Do pass.

Signed by Senators Lovelett, Chair; Salomon, Vice Chair; Kauffman.

Minority Report: That it be referred without recommendation.

Signed by Senators Torres, Ranking Member; Short.

Staff: Maggie Douglas (786-7279)

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

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Liias, Chair; Lovick, Vice Chair; Shewmake, Vice Chair; Cleveland, Hawkins, Kauffman, Lovelett, Nobles, Randall, Valdez and Wilson, C..

Minority Report: Do not pass.

Signed by Senators King, Ranking Member; Fortunato, MacEwen and Padden.

Minority Report: That it be referred without recommendation.

Signed by Senators Holy, Assistant Ranking Member; Wilson, J..

Staff: Kelly Simpson (786-7403)

Background: Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. The GMA establishes land-use designation and environmental protection requirements for all Washington counties and cities. The GMA also establishes a significantly wider array of planning duties for 28 counties, and the cities within those counties, that are obligated to satisfy all planning requirements of the GMA. These jurisdictions are sometimes said to be fully planning under the GMA.

The GMA sets forth 14 planning goals to guide the development and adoption of comprehensive plans and development regulations of counties and cities that fully plan under the GMA. The transportation goal encourages efficient multimodal transportation systems that are based on regional priorities and coordinated with county and city transportation plans.

Impact Fees. Fully planning jurisdictions may impose impact fees on development activity as part of financing 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. Impact fees may only be imposed for system improvements 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 included within a capital facilities plan element of a comprehensive plan. Public facilities, within the context of impact fee statutes, are the following capital facilities owned or operated by government entities:

- public streets and roads;
- publicly owned parks, open space, and recreation facilities;
- school facilities; and
- fire protection facilities.

Local governments collecting impact fees must produce an annual report detailing the fees that have been collected and what they have been used for. Impact fees must generally be collected prior to construction, and must be kept in a separate account depending on the type of the public facility it was collected for. If impact fees are not used within ten years of collection, they generally, must be returned.

Summary of Bill: The definition of public facilities is amended to add bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony (Local Government, Land Use & Tribal Affairs):

PRO: Impact fees can be used to build a bike lane along a road but not a separated bike lane which are safer and provide better services. This bill is a win for the safety of communities and is a better use of impact fees. This bill does not authorize a new impact fee, it leverages fees already charged for bike paths facilities along the roadway. This gives cities more flexibility to plan for multimodal transportation systems. Multimodal investments help create a livable and walkable community. They provide a safe and enjoyable way for residents to walk to and from work and do not put additional wear and tear on roads. Developers are constructing housing and job development along these multimodal corridors. There will be less costs for this than other improvements associated with streets.

CON: Expanding the allowable use of impact fees is a concern. There needs to be a way that these great ideas can be funded without leading to an increase in housing cost. The use being discussed in this bill is already allowable under the parks impact fees and the use that is being discussed is more in line with a parks and recreation activity, rather than transportation activity. Expanding transportation impact fees will disproportionately burden first time home buyers.

Persons Testifying (Local Government, Land Use & Tribal Affairs): PRO: Senator Sharon Shewmake, Prime Sponsor; Angela Birney, City of Redmond Mayor; Briahna Murray, Redmond Contract Lobbyist; Tim McHarg, Redmond Principal Planner.

CON: Alex Hur, Master Builders Association of King and Snohomish Counties; Bill Stauffacher, Building Industry Association of Washington.

Persons Signed In To Testify But Not Testifying (Local Government, Land Use &

Tribal Affairs): No one.

Staff Summary of Public Testimony (Transportation): PRO: Under current law, if a city wants to add a bike/pedestrian path or trail not connected to a street or road, impact fees are not an option. That would change under this bill, as it simply provides local governments the option of using impact fees to build these multimodal facilities used by commuters, which are currently part of the area's transportation system. The city of Redmond is the fastest growing city in Washington and multimodal paths provide a safe and reliable way to accommodate growth and move people around. The bill allows existing fees to be spent in a more flexible manner. Impact fees were authorized roughly 30 years ago. Each jurisdiction adopts a formula based on the ratio of trips generated due to development to establish impact fees. Using the fees to build more bike/pedestrian infrastructure will ultimately reduce impact fees in the future. Automobiles lead to increased greenhouse gas emissions, and adding more multimodal infrastructure is an appropriate use of impact fees to help reduce these emissions.

CON: The cost of housing is a significant problem in our economy right now. This bill may increase impact fees on development making it harder for new home owners to purchase homes. Fee deferral programs are more helpful. This bill would harm new home buyers by increasing housing costs. Using impact fees for multimodal facilities would reduce available fee revenues for bike lanes and bus lanes that are more directly connected to street and road improvements.

Persons Testifying (Transportation): PRO: Senator Sharon Shewmake, Prime Sponsor; Briahna Murray, City of Redmond, lobbyist; Angela Birney, City of Redmond Mayor; Vangie Garcia, Redmond Transportation Planning & Engineering Manager; Cynthia Stewart, League of Women Voters of WA; Bryce Yadon, Futurewise.

CON: Bill Stauffacher, Building Industry Association of Washington; Alex Hur, Master Builders Association of King and Snohomish Counties.

Persons Signed In To Testify But Not Testifying (Transportation): No one.