

SENATE BILL REPORT

SB 5898

AS OF FEBRUARY 24, 1993

Brief Description: Limiting impact fees and authorizing a payment schedule for impact fees.

SPONSORS: Senators Haugen, Oke, Winsley and Hochstatter

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Staff: Rod McAulay (786-7754)

Hearing Dates: March 2, 1993

BACKGROUND:

Counties, cities and towns planning under the Growth Management Act are authorized to impose impact fees on new real estate construction to provide, in part, for the financing of system improvements needed to serve the new construction. Local governments imposing these fees are requiring payment in full as a condition for issuance of a building permit.

It is believed that it would be more equitable to permit property owners and developers the option of paying impact fees after the projects are completed and occupied. At this point in time, they have received or are receiving the financial return on their investment. Deferment of payment would also reduce the initial cost to any purchaser of the property being developed.

It is also believed that there should be a cap on the amount of impact fees related to the value of the improvements to the subject property.

SUMMARY:

The party concerned may elect to pay impact fees in equal annual installments commencing after a project subject to the fees has been occupied. Interest shall accrue on any unpaid fees at a rate fixed by the local government assessing the fee, but shall not exceed the then prevailing rate on tax-exempt municipal bonds. The local government shall also set the number of years in which the full payment with interest must be made, but the term may not be less than five years or more than 15 years. Unpaid amounts of impact fees and accrued interest shall be a lien upon the property subject to the fees.

If property subject to unpaid impact fees is subdivided or sold in part, the local government assessing the fees may order a segregation of the fee. The owner of any property

subject to unpaid impact fees may prepay all or any portion of the balance with interest to the date of the installment next falling due.

The total amount of any impact fees and any sewer or water hookup charges shall not exceed 5 percent of the value of the structure as indicated on the building permit.

Appropriation: none

Revenue: none

Fiscal Note: requested February 25, 1993