

SENATE BILL REPORT

ESSB 6413

As Passed Senate, February 13, 2004

Title: An act relating to impact fees for residential construction.

Brief Description: Modifying impact fee provisions.

Sponsors: Senate Committee on Land Use & Planning (originally sponsored by Senators Mulliken, T. Sheldon, Swecker, Rasmussen, Esser, Hargrove, Murray and Stevens).

Brief History:

Committee Activity: Land Use & Planning: 1/29/04, 2/2/04 [DPS, DNP].
Passed Senate: 2/13/04, 33-16.

SENATE COMMITTEE ON LAND USE & PLANNING

Majority Report: That Substitute Senate Bill No. 6413 be substituted therefor, and the substitute bill do pass.

Signed by Senators Mulliken, Chair; Morton, Murray and T. Sheldon.

Minority Report: Do not pass.

Signed by Senator Kline.

Staff: Genevieve Pisarski (786-7488)

Background: It is usual for local governments to require payment of impact fees at the time that a plat is approved or a building permit is issued. There is concern that this practice increases the cost of financing, which affects the final selling price, and ties up capital that could be used to respond to market demand.

Summary of Bill: For residential construction, the time at which local governments are authorized to collect impact fees is limited to the time of final inspection or issuance of the certificate of occupancy. A signed statement may be required as surety. The fees become a lien 30 days after they are due. The act is null and void if any section is vetoed.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Payment of impact fees at the time of plat approval or building permit increases the cost of financing and raises the cost of residential construction; it also ties up funds that could be used to meet market demand. The time of collection does not affect the availability of the services. Local governments already collect fees at different times and are capable of setting up a mechanism.

Testimony Against: Title companies should not be made responsible for collection of these fees. Collection at the other times will be impossible to enforce and result in revenue shortfalls. These fees must be collected as soon as possible, because the services they fund, especially schools, must be available for the growth.

Testified: DeWayne Granacki, Washington Assn of Realtors (pro); Bill Ronhaar, Washington Land Title Association (amend.); Denise Stiffarm, King Co. School Coalition (con); Trent Matson, Building Industry Association of WA (pro).