

SENATE BILL REPORT

SSB 6587

As Passed Senate, February 16, 2004

Title: An act relating to imposing fees to mitigate adverse environmental impacts.

Brief Description: Imposing fees to mitigate adverse environmental impacts.

Sponsors: Senate Committee on Land Use & Planning (originally sponsored by Senators Stevens and McCaslin).

Brief History:

Committee Activity: Land Use & Planning: 2/2/04, 2/5/04 [DPS, DNP].
Passed Senate: 2/16/04, 29-19.

SENATE COMMITTEE ON LAND USE & PLANNING

Majority Report: That Substitute Senate Bill No. 6587 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: The State Environmental Policy Act authorizes local governments to require mitigation of specific, identified, adverse environmental impacts as a condition of granting permits. There is concern that some mitigation fees imposed under this authority do not adhere to the statutory requirements and are arbitrary, redundant, or excessive.

Summary of Bill: The Legislature declares its intent to assure that impact fees are imposed only for specific adverse environmental impacts identified in environmental documents, according to established standards adopted by ordinance. Mitigation fees for the same impacts should not be arbitrary or redundant, but directly related to new development and in proportion to the impacts.

Local ordinances that impose mitigation fees must adopt a schedule of fees for different types of proposed actions, include other available means of funding mitigation in determining fees for built environment, and provide for adjustment of fees on the basis of studies and data submitted by the developer.

A separate interest-bearing account must be established for each purpose for which mitigation fees are imposed. An annual report on specific receipts and expenditures must be prepared for each account and must be published on the internet. A mitigation fee can be paid under protest.

Mitigation fees not used within six years must be refunded with interest. Notice must be provided. Requests for refunds must be submitted in writing within one year of the date they become available or the date of notice. Unclaimed refunds must be spent on the indicated or any other development activity. If a requirement for mitigation fees is terminated, notice must be provided, and any unexpended or unencumbered amounts must be refunded. Any amounts not refunded by the end of one year, must be expended for the indicated public facilities. If a developer does not proceed with a project and no environmental impact occurs, a refund with interest must be given, upon request.

Appropriation: None.

Fiscal Note: Requested on January 27, 2004.

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

Testimony For: There is a need to standardize mitigation fees and eliminate redundancy. There is a need for accountability in how these fees are determined. This simply establishes the same requirements for mitigation fees as already apply to impact fees.

Testimony Against: Existing provisions for mitigation fees work well and give the flexibility that's needed to address specific circumstances. It's not feasible to pre-determine them, and there are no resources to try to do it.

Testified: Senator Stevens, prime sponsor (pro); Timothy Harris, Building Industry Assn. of WA (pro); Genesee Adkins, 1000 Friends of WA (con).