

HB 1116 - H AMD 8

By Representative Schindler

SCOPED 02/12/2007

1 On page 1, after line 16, insert the following:

2 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.02 RCW
3 to read as follows:

4 (1) As used in this chapter, "first-time buyer housing
5 affordability index" means the index determined by the Washington
6 center for real estate research that measures the ability of a typical
7 renter household to afford the purchase of a typical starter home by
8 assuming: (a) The household will purchase a home priced at eighty-five
9 percent of area median with a ten-percent down payment; (b) the home
10 mortgage loan is for a term of thirty years at the prevailing average
11 fixed rate of interest; (c) the potential first-time home buyer earns
12 seventy percent of the area median household income and twenty-five
13 percent of household income can be used for principal and interest
14 payments.

15 (2) For purposes of this chapter, a first-time buyer housing
16 affordability index of: (a) One hundred, indicates that a household of
17 the defined income can afford a home of the defined price; (b) less
18 than one hundred, indicates that a household of the defined income
19 cannot afford a home of the defined price without spending more than
20 twenty-five percent of their income on mortgage payments; and (c)
21 greater than one hundred, indicates that a household of the defined
22 income can afford a home of the defined price while spending less than
23 twenty-five percent of their income on mortgage payments.

24 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.02 RCW
25 to read as follows:

26 (1) In any county in which the first-time buyer housing
27 affordability index, as defined in section 1 of this act and as
28 determined by the Washington center for real estate research at
29 Washington State University, is less than one hundred for three

1 quarters in any given year, the county and cities located within the
2 county may not collect impact fees under this chapter for the following
3 two years.

4 (2) The one-year period measured by the Washington center for real
5 estate research under subsection (1) of this section shall begin and
6 end in the third quarter of the calendar year. The time period for
7 which the ability to collect impact fees under this chapter is
8 suspended under subsection (1) of this section begins January 1st of
9 the year following the determination by the Washington center for real
10 estate research.

11 **Sec. 4.** RCW 82.02.100 and 1992 c 219 s 2 are each amended to read
12 as follows:

13 (1) A person required to pay a fee pursuant to RCW 43.21C.060 for
14 system improvements shall not be required to pay an impact fee under
15 RCW 82.02.050 through 82.02.090 for those same system improvements.

16 (2) A county prohibited from imposing a fee for system improvements
17 under section 2 of this act may not impose a fee under RCW 43.21C.065
18 for those same system improvements.

19 (3) A county prohibited from imposing a fee for system improvements
20 under section 2 of this act may not require a dedication of land under
21 RCW 58.17.110 for those same system improvements."

22 Correct the title.

EFFECT: If it is determined that a county has a first-time buyer housing affordability index of less than one hundred for three quarters in any given year, the county and the cities within that county may not collect impact fees for two years following January 1st of the year after the affordability index has been determined. Such a county is also prohibited from imposing fees under the state environmental policy act for system improvements, and from requiring a dedication of land under subdivision and land dedication provisions for system improvements.

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