
HOUSE BILL 1861

State of Washington 60th Legislature 2007 Regular Session

By Representatives Dunn and McCune

Read first time 01/30/2007. Referred to Committee on Local Government.

1 AN ACT Relating to restoring the American dream by eliminating
2 impact fees in counties and cities in counties where the first-time
3 buyer housing affordability index shows that housing is not affordable;
4 amending RCW 82.02.100; adding new sections to chapter 82.02 RCW; and
5 creating a new section.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature finds that first-time home
8 buyers in Washington state have been priced out of the housing market
9 in many counties. The legislature finds that many organizations,
10 including local governments, have recognized the affordable housing
11 crisis for first-time home buyers. The legislature finds that, for
12 example, as reported in King county's benchmark growth report, "buying
13 a first home remains extremely difficult for those under one hundred
14 twenty percent of median income." The legislature further finds that
15 impact fees contribute to the high cost of housing in many Washington
16 counties, and that eliminating these fees will reduce housing prices.
17 The legislature intends to make housing more affordable for first-time
18 home buyers in counties where housing is currently not affordable for
19 first-time home buyers. The legislature intends to do this by

1 eliminating impact fees in counties where the first-time buyer housing
2 affordability index demonstrates that housing is not affordable for
3 first-time home buyers.

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

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

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

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

28 (1) In any county in which the first-time buyer housing
29 affordability index, as defined in section 2 of this act and as
30 determined by the Washington center for real estate research at
31 Washington State University, is less than one hundred for three
32 quarters in any given year, the county and cities located within the
33 county shall not collect impact fees under this chapter for the
34 following two years.

35 (2) The year-long period measured by the Washington center for real
36 estate research under subsection (1) of this section shall begin and

1 end in the third quarter of the calendar year. The time period for
2 which the ability to collect impact fees under this chapter is
3 suspended under subsection (1) of this section begins January 1st of
4 the year following the determination by the Washington center for real
5 estate research.

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

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

11 (2) A county prohibited from imposing a fee for system improvements
12 under section 3 of this act may not impose a fee under RCW 43.21C.060
13 for those same system improvements.

14 (3) A county prohibited from imposing a fee for system improvements
15 under section 3 of this act may not require a dedication of land under
16 RCW 58.17.110 for those same system improvements.

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