
SUBSTITUTE HOUSE BILL 2604

State of Washington 60th Legislature 2008 Regular Session

By House Local Government (originally sponsored by Representatives Simpson, Ormsby, and Chase)

READ FIRST TIME 02/06/08.

1 AN ACT Relating to exempting low-income housing and development
2 activities with broad public purposes from impact fees; and amending
3 RCW 82.02.060 and 43.21C.065.

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

5 **Sec. 1.** RCW 82.02.060 and 1990 1st ex.s. c 17 s 44 are each
6 amended to read as follows:

7 The local ordinance by which impact fees are imposed:

8 (1) Shall include a schedule of impact fees which shall be adopted
9 for each type of development activity that is subject to impact fees,
10 specifying the amount of the impact fee to be imposed for each type of
11 system improvement. The schedule shall be based upon a formula or
12 other method of calculating such impact fees. In determining
13 proportionate share, the formula or other method of calculating impact
14 fees shall incorporate, among other things, the following:

- 15 (a) The cost of public facilities necessitated by new development;
16 (b) An adjustment to the cost of the public facilities for past or
17 future payments made or reasonably anticipated to be made by new
18 development to pay for particular system improvements in the form of

1 user fees, debt service payments, taxes, or other payments earmarked
2 for or proratable to the particular system improvement;

3 (c) The availability of other means of funding public facility
4 improvements;

5 (d) The cost of existing public facilities improvements; and

6 (e) The methods by which public facilities improvements were
7 financed;

8 (2) May provide an exemption for low-income housing((~~7~~)) and other
9 development activities with broad public purposes(~~(~~7~~ from these impact~~
10 ~~fees, provided that the impact fees for such development activity shall~~
11 ~~be paid from public funds other than impact fee accounts)). An
12 exemption granted under this subsection (2) must be conditioned upon
13 requiring the developer to record a covenant that, except as provided
14 otherwise by this subsection, prohibits using the property for any
15 purpose other than for low-income housing or broad public purposes.
16 The covenant must provide that if the property is converted to a use
17 other than for low-income housing or broad public purposes, the
18 property owner must pay the applicable impact fees in effect at the
19 time of conversion. Covenants required by this subsection must be
20 recorded with the applicable county auditor or recording officer. As
21 used in this subsection, "development activities with broad public
22 purposes" include, but are not limited to, the construction or
23 modification of facilities for a high-capacity transportation service
24 authorized under chapter 81.104 RCW. A local government granting an
25 exemption under this subsection may not impose a fee under RCW
26 43.21C.060 for the system improvements for which the exemption applies;~~

27 (3) Shall provide a credit for the value of any dedication of land
28 for, improvement to, or new construction of any system improvements
29 provided by the developer, to facilities that are identified in the
30 capital facilities plan and that are required by the county, city, or
31 town as a condition of approving the development activity;

32 (4) Shall allow the county, city, or town imposing the impact fees
33 to adjust the standard impact fee at the time the fee is imposed to
34 consider unusual circumstances in specific cases to ensure that impact
35 fees are imposed fairly;

36 (5) Shall include a provision for calculating the amount of the fee
37 to be imposed on a particular development that permits consideration of

1 studies and data submitted by the developer to adjust the amount of the
2 fee;

3 (6) Shall establish one or more reasonable service areas within
4 which it shall calculate and impose impact fees for various land use
5 categories per unit of development; and

6 (7) May provide for the imposition of an impact fee for system
7 improvement costs previously incurred by a county, city, or town to the
8 extent that new growth and development will be served by the previously
9 constructed improvements provided such fee shall not be imposed to make
10 up for any system improvement deficiencies.

11 **Sec. 2.** RCW 43.21C.065 and 1992 c 219 s 1 are each amended to read
12 as follows:

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

17 (2) A local government granting an exemption under RCW 82.02.060(2)
18 shall not impose a fee pursuant to RCW 43.21C.060 for the system
19 improvements for which the exemption applies.

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