

SENATE BILL REPORT

SB 5548

As Reported by Senate Committee On:
Transportation, February 1, 2010

Title: An act relating to requiring project improvements, including public transportation infrastructure improvements, to be credited against the imposition of impact fees.

Brief Description: Requiring project improvements, including public transportation infrastructure improvements, to be credited against the imposition of impact fees.

Sponsors: Senators Haugen, Jarrett, Fraser and Shin.

Brief History:

Committee Activity: Transportation: 2/19/09, 2/24/09 [DP]; 1/20/10, 2/01/10 [DPS].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5548 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Swecker, Ranking Minority Member; Becker, Benton, Berkey, Delvin, Eide, Jacobsen, Kastama, Kauffman, Kilmer, King, Ranker and Sheldon.

Staff: Kelly Simpson (786-7403)

Background: Counties, cities, and towns that are required or choose to plan under the Growth Management Act (GMA) may impose impact fees on development activity as part of the financing for public facilities needed to serve new growth and development. The impact fees (1) may only be imposed for system improvements that are reasonably related to the new development; (2) may not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and (3) must be used for system improvements that will reasonably benefit the new development. "System improvements" are limited to those public facilities specifically designated by a county, city, or town in its capital facilities plan that are designed to serve areas within the community at large. Generally, if a jurisdiction does not spend impact fee revenue on system improvements within six years of collection, the impact fees must be refunded.

Jurisdictions imposing impact fees must provide a credit against the fees for the value of any dedication of land for, improvement to, or new construction of any system improvements

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provided by the developer. However, this credit provision does not apply to project improvements provided by the developer. "Project improvements" are site improvements and facilities planned and designed to serve a particular development project, and are not "system improvements."

Summary of Bill (Recommended Substitute): Public facilities eligible to receive impact fee revenue are expanded to include transit, bicycle, and pedestrian facilities. Accordingly, if the transit, bicycle, and pedestrian facilities are included in a local jurisdiction's capital facilities plan, a credit must be provided against impact fees for improvements made towards those facilities when provided by the developer.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute): The bill was replaced with an expanded definition of public facilities under the impact fee law, including for purposes of the use of impact fee revenue and the granting of credits.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: Cities, counties, and developers are working on compromise language to accomplish the intended goals of this bill. However, the approach taken by stakeholders may be narrower than the underlying bill. Ideas may include expanding the definition of public facilities, clarifying that system improvements are those that benefit the community, and providing developers a credit based on the proportional value of the improvement to the system. The stakeholders have a better understanding of each other's positions. They are also looking to include transit improvements.

Persons Testifying: PRO: Ashley Probart, Association of WA Cities; Scott Hildebrand, Master Builders Assoc. - King/Snohomish Counties; Owen Carter, Snohomish County.