

# Impact Fee Deferral Report



Per RCW 43.31.980

LOCAL GOVERNMENT DIVISION  
GROWTH MANAGEMENT  
SERVICES

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REPORT TO THE LEGISLATURE

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# Acknowledgments

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# Introduction

Per RCW 43.31.980, the Department of Commerce must annually report on the impact fee deferral process as follows:

(1) Beginning December 1, 2018, and each year thereafter, the department of commerce must prepare an annual report on the impact fee deferral process established in RCW 82.02.050(3). The report must include: (a) The number of deferrals requested of and issued by counties, cities, and towns; (b) the number of deferrals that were not fully and timely paid; and (c) other information as deemed appropriate.

(2) The report required by this section must, in accordance with RCW 43.01.036, be submitted to the appropriate committees of the house of representatives and the senate.

Commerce published its initial report in 2018. This is the second report.

## Background

During the 2015 session, the Washington State Legislature passed Engrossed Senate Bill 5923 to promote economic recovery in the construction industry. The mechanism established to achieve this is an impact fee deferral program and is codified in RCW 82.02.050(3).

Counties and cities required or choosing to plan under the Growth Management Act (RCW 36.70A.040) are authorized to collect impact fees by RCW 82.02.050 et.seq. If the local government has imposed an impact fee, it must have established an impact fee deferral program by Sept. 1, 2016.

The impact fee deferral program applies to small contractors or other builders. Deferrals may be issued for only the first 20 single-family residences built in a year by the builder. The deferral can last no longer than 18 months. At a minimum, a deferral must offer one of these three options: deferring collection of the impact fee payment until the final inspection of the property, deferring collection of the impact fee payment until the issuance of a certificate of occupancy or similar certificate or deferring collection for the impact fee payment until the time of the closing of the first sale of the property occurring after the issuance of the applicable building permit.

## Impact Fees

Impact fees are an optional fiscal tool that certain local governments use for capital facilities financing. Fees are collected on initial constructions of buildings. Local governments may charge different rates for different classes of construction, such as residential, commerce and retail. Local governments may also collect impact fees on only a single type of construction.

Impact fees are authorized for fire protection facilities, parks, schools, and transportation facilities. For school impact fees, local governments collect the fees for the school districts. Impact fees are retained in accounts specific to the type of impact fee.

Impact fees can be expended only for improvements identified in the capital facilities element of the local government's comprehensive plan. If the fees are not expended or dedicated to serve as bond repayment within 10 years of their collection, they must be refunded to the entity associated with the payment of the impact fee. The fee can be retained longer if the local government finds, in writing, that extraordinary or compelling reasons exist.

# Impact Fee Deferral Reporting

## Methodology

### Data Collection

The Joint Legislative Audit and Review Committee (JLARC) collected the data for this report.

### Process

- Data were collected via Survey Monkey between Aug. 19 and Oct. 11, 2019.
- Emails were sent to planning directors, permitting departments, and/or city administrators.
  - Where JLARC did not have contact information for a jurisdiction, they filled out the "contact us" page on their website or called.
  - In the few cases multiple people filled out the survey from the same jurisdiction and responses did not match; data were sent back to the jurisdiction for review.
- A reminder email was sent through Survey Monkey to all non-respondents on Aug. 28.
- Two sets of targeted emails were sent to non-respondents on Sept. 12:
  - For jurisdictions that do not have impact fees in their municipal code or ordinances, an email was sent asking them to confirm that they do not collect impact fees.
  - For non-respondents that do have impact fees in their municipal code/ordinances, JLARC sent an email reminding them to fill out the survey.
- All jurisdictions were sent a final email on Oct. 7 that contained a link to the dataset and requested they review their data for accuracy.
- Jurisdictions that had not yet responded were given a final opportunity to respond.

### Response Rate

Surveys were sent to 237 cities, towns, and counties. Surveys were received from 163 jurisdictions for an overall response rate of 69%. Not all jurisdictions collect impact fees, and Commerce was especially interested in hearing from those that do. Of the 103 jurisdictions that collect impact fees, 92 filled out the survey (89%). Of the 134 jurisdictions that do not collect impact fees (not authorized or haven't chosen to), 71 filled out the survey (53%).

# Summary Data

Table 1 summarizes the status of local governments in implementing impact fees. The appendices show the specific information for each jurisdiction. Of the 103 jurisdictions imposing impact fees, 92 provided data summarized in this report.

**Table 1**

Fee Imposition Status	No. of Local Governments
Ineligible to Impose Impact Fees	74
Opting Not to Impose Impact Fees	60
Imposing Impact Fees, No Data Provided	11
Imposing Impact Fees, Data Provided	92
No Data Available	93

Table 2 summarizes the data responsive to the report requirements. The number of impact fee deferrals issued for both fire protection facilities and parks exceeds the number of deferrals requested. The cause of this is the city of Lynden's automatically deferring impact fees without having to be requested.

**Table 2**

Type of Impact Fee	Number of Deferrals Requested	Number of Deferrals Issued	Number of Deferrals Not Fully and Timely Paid
Fire Protection Facilities Impact Fees	197	264	0
Parks Impact Fees	535	605	64
Schools Impact Fees	470	470	1
Transportation Facilities Impact Fees	532	532	1
Total	1,734	1,871	66

Source: Joint Legislative Audit and Review Committee 2019

Detailed information by type of impact fee and local government imposing the impact fee is found in the appendices.

# Appendix A: Local Governments Ineligible to Impose Impact Fees

Aberdeen	North Bonneville
Adams County	Oakesdale
Albion	Oakville
Almira	Ocean Shores
Asotin	Odessa
Asotin County	Okanogan
Bingen	Okanogan County
Brewster	Omak
Castle Rock	Oroville
Cathlamet	Othello
Clarkston	Palouse
Colfax	Pateros
Colton	Pullman
Conconully	Reardan
Cosmopolis	Republic
Cowlitz County	Ritzville
Creston	Riverside
Davenport	Rosalia
Elma	Skamania County
Elmer City	Sprague
Endicott	St. John
Farmington	Stevenson
Ferry County	Tekoa
Garfield	Tonasket
Goldendale	Twisp
Grays Harbor County	Uniontown
Harrington	Wahkiakum County
Hatton	Washtucna
Hoquiam	Westport
Kalama	White Salmon
Kelso	Whitman County
Klickitat County	Wilbur
LaCrosse	Winthrop
Lamont	
Lincoln County	
Lind	
Longview	
Malden	
McCleary	
Montesano	
Nespelem	

# Appendix B: Local Governments Opting to Not Impose Impact Fees

Benton City	Rockford
Benton County	Roslyn
Bridgeport	Royal City
Cashmere	Ruston
Chehalis	San Juan County
Clyde Hill	Seattle
Columbia County	Selah
Connell	South Bend
Coupeville	South Cle Elum
Darrington	South Prairie
Douglas County	Spangle
Fairfield	Spokane Valley
Forks	Springdale
Franklin County	Stevens County
George	Sumas
Gold Bar	Tacoma
Grand Coulee	Toledo
Grandview	Waitsburg
Grant County	Walla Walla
Harrah	Warden
Hartline	Waterville
Ilwaco	Whatcom County
Index	Wilkeson
Ione	Winlock
Island County	Woodway
Kittitas County	Yacolt
La Conner	Yakima
Lakewood	Yarrow Point
Maple Valley	
Marcus	
Metaline Falls	
Mill Creek	
Mossyrock	
Newport	
Normandy Park	
Pe Ell	
Pend Oreille County	
Pomeroy	
Port Angeles	
Prescott	
Prosser	
Raymond	

## Appendix C: Fire Protection Facilities Impact Fees

Table 3 includes all the local governments that reported to JLARC they collect fire protection facilities impact fees.

The first column indicates whether the local government collects fire protection facilities impact fees. Blanks in the data reflect how the surveys were submitted and indicate the local government did not enter any information in that field.

**Table 3**

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Anacortes	Yes	0	0	0
Auburn	Yes	0	0	0
Battle Ground	Yes	0	0	0
Bothell	Yes	0	0	0
Camas	Yes	0	0	0
Covington	Yes	0	0	0
DuPont	Yes	0	0	0
Enumclaw	Yes	0	0	0
Issaquah	Yes	0	0	0
Lynden*	Yes	0	70	0
Medical Lake	Yes	0	0	0
Mount Vernon	Yes	3	3	0
North Bend	Yes	4	4	0
Rainier	Yes	18	18	0
Redmond	Yes	167	167	0
Renton	Yes	0	0	0
Ridgefield	Yes			

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Sedro-Woolley	Yes	2	2	0
Shoreline	Yes	0	0	0
Stanwood	Yes	0	0	0
Washougal	Yes	0	0	0
Woodland	Yes			
Yelm	Yes	0	0	0
Zillah	Yes	0	0	0

## Appendix D: Parks Impact Fees

Table 4 includes all the local governments that reported to JLARC they collect parks impact fees.

The first column indicates whether the local government collects fire facilities impact fees. Blanks in the data reflect how the surveys were submitted and indicate the local government did not enter any information in that field.

Table 4

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Airway Heights	Yes	0	0	0
Anacortes	Yes	0	0	0
Arlington	Yes	0	0	0
Auburn	Yes	0	0	0
Battle Ground	Yes	0	0	0
Bellingham	Yes	0	0	0
Blaine	Yes			
Bonney Lake	Yes	0	0	0
Bothell	Yes	0	0	0
Brier	Yes	0	0	0
Buckley	Yes	6	6	0
Camas	Yes	0	0	0
Carnation	Yes	14	14	0
Cheney	Yes	0	0	0
Clark County	Yes			
Covington	Yes	0	0	0
Des Moines	Yes	0	0	0

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Duvall	Yes	0	0	n/a
Edgewood	Yes	0	0	0
Edmonds	Yes	0	0	0
Ellensburg	Yes	0	0	0
Enumclaw	Yes	0	0	0
Everson	Yes			
Ferndale	Yes	63	63	63
Fife	Yes	0	0	0
Gig Harbor	Yes			
Issaquah	Yes	0	0	0
Kenmore	Yes	0	0	0
Kitsap County	Yes	199	199	0
La Center	Yes	22	22	0
Lake Stevens	Yes	0	0	0
Lynden*	Yes	0	70	0
Lynnwood	Yes	0	0	0
Medical Lake	Yes	0		
Mercer Island	Yes	1	1	1
Monroe	Yes	0	0	0
Mount Vernon	Yes	3	3	0
Mukilteo	Yes	0	0	0
North Bend	Yes	4	4	0

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Oak Harbor	Yes			
Olympia	Yes	8	8	0
Orting	Yes	0	0	0
Pasco	Yes	0	0	0
Pierce County	Yes	0	0	0
Port Orchard	Yes	0	0	0
Poulsbo	Yes	0	0	0
Redmond	Yes	167	167	0
Renton	Yes	0	0	0
Richland	Yes	0	0	0
Ridgefield	Yes	46	46	0
Roy	Yes	0	0	0
Sedro-Woolley	Yes	2	2	0
Sequim	Yes	0	0	0
Shoreline	Yes	0	0	0
Snohomish	Yes	0	0	0
Stanwood	Yes	0	0	0
Sultan	Yes	0	0	0
Tumwater	Yes	0	0	0
Vancouver	Yes	0	0	0
Washougal	Yes	0	0	0
West Richland	Yes	0	0	0

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Woodland	Yes			
Zillah	Yes	0	0	0

## Appendix E: School Impact Fees

Table 5 lists all the local governments that reported to JLARC they collect school impact fees.

The first column indicates whether the local government collects school facilities impact fees. Blanks in the data reflect how the surveys were submitted and indicate the local government did not enter any information in that field.

**Table 5**

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Arlington	Yes	0	0	0
Auburn	Yes	0	0	0
Battle Ground	Yes	0	0	0
Bellingham	Yes	0	0	0
Blaine	Yes			
Bonney Lake	Yes			
Bothell	Yes			
Camas	Yes	0	0	0
Carnation	Yes	14	14	0
Clark County	Yes			
Covington	Yes	0	0	0
Des Moines	Yes			
Duvall	Yes	0	0	0
Edgewood	Yes			
Enumclaw	Yes	0	0	0
Everett	Yes	0	0	0
Federal Way	Yes	0	0	0
Ferndale	Yes			

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Fife	Yes			
Gig Harbor	Yes			
Issaquah	Yes	0	0	0
Kenmore	Yes			
King County	Yes	7	7	0
Kitsap County	Yes	196	196	0
La Center	Yes	22	22	0
Lacey	Yes	0	0	0
Lake Stevens	Yes			
Medical Lake	Yes	0		
Mercer Island	Yes	1	1	1
Monroe	Yes	0	0	0
Mount Vernon	Yes	3	3	0
Mukilteo	Yes	0	0	0
North Bend	Yes	4	4	0
Olympia	Yes	8	8	0
Orting	Yes			
Pasco	Yes	0	0	0
Pierce County	Yes	0	0	0
Port Orchard	Yes			
Rainier	Yes			
Redmond	Yes	167	167	0

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Renton	Yes	0	0	0
Ridgefield	Yes	46	46	0
Sedro-Woolley	Yes	2	2	0
Snoqualmie	Yes	0	0	0
Stanwood	Yes			
Steilacoom	Yes	0	0	0
Sultan	Yes			
Sultan	Yes			
Tenino	Yes			
Tumwater	Yes	0	0	0
Vancouver	Yes	0	0	0
Washougal	Yes			
Woodland	Yes			
Yelm	Yes	0	0	0

## Appendix F: Transportation Facilities Impact Fees

Table 6 includes all the jurisdictions that reported to JLARC they collect transportation facility impact fees.

The first column indicates whether the local government collects transportation impact fees. Blanks in the data reflect how the surveys were submitted and indicate the local government did not enter any information in that field.

**Table 6**

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Anacortes	Yes	0	0	0
Arlington	Yes	0	0	0
Auburn	Yes	0	0	0
Battle Ground	Yes	0	0	0
Bellingham	Yes	0	0	0
Blaine	Yes			
Bonney Lake	Yes	0	0	0
Bothell	Yes	0	0	0
Buckley	Yes	6	6	0
Burien	Yes	0	0	0
Camas	Yes	0	0	0
Carnation	Yes	14	14	0
Clark County	Yes			
Clark County	Yes			
College Place	Yes			
Covington	Yes	0	0	0
Deer Park	Yes			
Des Moines	Yes	3	3	0

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Duvall	Yes	0	0	0
Edgewood	Yes	0	0	0
Edmonds	Yes	0	0	0
Ellensburg	Yes	0	0	0
Enumclaw	Yes	0	0	0
Everett	Yes	0	0	0
Federal Way	Yes	0	0	0
Ferndale	Yes	63	63	0
Fife	Yes	0	0	0
Gig Harbor	Yes			
Granite Falls	Yes			
Issaquah	Yes	0	0	0
Kenmore	Yes	0	0	0
Kitsap County	Yes	197	197	0
La Center	Yes	22	22	0
Lake Stevens	Yes	0	0	0
Lynden	Yes			
Lynnwood	Yes	0	0	0
Mercer Island	Yes	1	1	1
Monroe	Yes	0	0	0
Mount Vernon	Yes	3	3	0
Mukilteo	Yes	0	0	0

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
Nooksack	Yes			
North Bend	Yes	4	4	0
Oak Harbor	Yes			
Olympia	Yes	8	8	0
Pasco	Yes	0	0	0
Pierce County	Yes	0	0	0
Port Orchard	Yes	0	0	0
Poulsbo	Yes	0	0	0
Redmond	Yes	167	167	0
Renton	Yes	0	0	0
Richland	Yes	0	0	0
Ridgefield	Yes	29	29	0
SeaTac	Yes	0	0	0
Sedro-Woolley	Yes	2	2	0
Sequim	Yes	0	0	0
Shelton	Yes	13	13	0
Shoreline	Yes	0	0	0
Snohomish	Yes	0	0	0
Spokane	Yes	0	0	0
Stanwood	Yes	0	0	0
Sultan	Yes	0	0	0
Tumwater	Yes	0	0	0

Local Government	Collects impact fees for fire protection	Number of deferrals requested	Number of deferrals issued	Number of deferrals not fully and timely paid
University Place	Yes			
Vancouver	Yes	0	0	0
Washougal	Yes	0	0	0
Wenatchee	Yes	0	0	0
West Richland	Yes	0	0	0
Woodinville	Yes			
Woodland	Yes			
Yelm	Yes	0	0	0
Zillah	Yes	0	0	0

## Appendix G: Local Governments with No Data Available

Algona	Leavenworth	Walla Walla County
Battle Ground	Lewis County	Wapato
Beaux Arts Village	Liberty Lake	Waverly
Bellevue	Long Beach	Wilson Creek
Black Diamond	Lyman	Yakima County
Bremerton	Mabton	
Bucoda	Mansfield	
Burien	Marysville	
Burlington	Mason County	
Carbonado	Mattawa	
Centralia	Medina	
Chelan County	Mesa	
Chelan	Metaline	
Chewelah	Millwood	
Clallam County	Milton	
Cle Elum	Morton	
Colville	Moses Lake	
Concrete	Mountlake Terrace	
Coulee City	Moxee	
Coulee Dam	Naches	
Cusick	Napavine	
Dayton	Newcastle	
East Wenatchee	Northport	
Eatonville	Pacific County	
Electric City	Pacific	
Entiat	Port Townsend	
Ephrata	Puyallup	
Fircrest	Quincy	
Friday Harbor	Rock Island	
Garfield County	Sammamish	
Granger	Skagit County	
Hamilton	Skykomish	
Hunts Point	Snohomish County	
Jefferson County	Soap Lake	
Kahlotus	Spokane County	
Kennewick	Starbuck	
Kent	Sumner	
Kettle Falls	Sunnyside	
Kirkland	Thurston County	
Kittitas	Tieton	
Krupp	Toppenish	
Lake Forest Park	Tukwila	
Langley	Union Gap	
Latah	Vader	