



2024 Impact Fee Deferral Report

Annual report pursuant to RCW 43.31.980

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Report to the Legislature

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GROWTH MANAGEMENT
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Acknowledgments

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Introduction

Authorizing legislation

Per [RCW 43.31.980](#), the Department of Commerce (Commerce) must annually report on the deferral process for impact fees as follows:

(1) Beginning December 12, 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 first report in 2018. This is the sixth annual report.

Background

During the 2015 session, the Washington State Legislature passed [Chapter 241, Laws of 2015](#) (SB 5923), which in part established a deferral program for impact fees. Local governments fully planning under [RCW 36.70A](#) (the Growth Management Act) can collect impact fees for fire protection facilities, transportation facilities, parks and schools. Local governments can choose to charge different rates for different classes of construction, such as residential, commercial and retail. Local governments can also choose to collect impact fees on only a single type of construction. Except under specific circumstances, a local government must refund fees not expended or dedicated within 10 years of collection.

All local governments imposing impact fees were required to establish an impact fee deferral program by September 1, 2016.

The deferral program applies to builders. Local governments can allow for a minimum of 20 deferrals of single-family homes built per year by a builder, and have the option to permit more. The deferral can last no longer than 18 months. At minimum, the local government must offer builders at least one of three options to pay the impact fee within that timeframe:

- Payment of the final property inspection
- Issuance of a certificate of occupancy or similar certificate
- Closing of the first sale of the property occurring after issuance of the applicable building permit

Report methodology

Commerce collected data for this report using Smartsheet in September 2024. There were 20 questions. Planning directors, permitting departments and Commerce notified city administrators of the survey by email.

Survey responses

Commerce sent the survey to 182 counties, cities and towns that are fully planning under the Growth Management Act (GMA). Of those, 68 responded (37% response rate). Forty-two respondents required impact fees and six reported issuing deferrals. All reported deferral requests were granted and only one responding jurisdiction indicated that deferrals were not paid fully or timely.

Deferral data

Impact fee deferrals may last up to 18 months, which means the data represented in the tables below may reflect activities from different timeframes.

- **Deferrals requested** identifies the deferrals requested in 2023.
- **Deferrals issued** reflects deferrals issued from requests in 2023.
- **Deferrals not paid fully or timely** reflects incomplete or late payments from deferrals in 2023.

Table 1: Total deferrals by type of impact fee

Type of impact fee	2023 deferrals requested	2023 deferrals issued	All deferrals not paid fully or timely to date
Fire protection facility	17	17	0
Parks	360	360	0
Schools	332	332	2
Transportation	334	334	0
Total impact fees	1,043	1,043	2

Table 2: Fire protection facility impact fee deferrals

Jurisdiction	2023 deferrals requested	2023 deferrals issued	All deferrals not paid fully or timely to date
City of Redmond	17	17	0
Total impact fees	17	17	0

Table 3: Parks impact fee deferrals

Jurisdiction	2023 deferrals requested	2023 deferrals issued	All deferrals not paid fully or timely to date
City of Bellingham	19	19	0
City of Marysville	294	294	0
City of Redmond	17	17	0
City of Ridgefield	30	30	0
Total impact fees	360	360	0

Table 4: Schools impact fee deferrals

Type of impact fee	2023 deferrals requested	2023 deferrals issued	All deferrals not paid fully or timely to date
City of Bellingham	19	19	0
King County	1	1	2
City of Marysville	294	294	0
City of Redmond	17	17	0
City of Ridgefield	1	1	0
Total impact fees	332	332	2

Table 5: Transportation impact fee deferrals

Type of impact fee	2023 deferrals requested	2023 deferrals issued	All deferrals not paid fully or timely to date
City of Bellingham	19	19	0
City of Marysville	294	294	0
City of Redmond	17	17	0
City of Ridgefield	2	2	0
City of University Place	2	2	0
Total impact fees	334	334	0