

# 2022 Impact Fee Deferral Report



Annual report per RCW 43.31.980

**LOCAL GOVERNMENT DIVISION  
GROWTH MANAGEMENT  
SERVICES**

December 19, 2022

Report to the Legislature

**Director Lisa Brown**

# 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 1, 2018, and each year thereafter, the department of commerce must prepare an annual report on the impact fee deferral process establish 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 fifth 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 the following options to defer collection of the impact fee payment:

- 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 SurveyMonkey in October 2022. There were 17 questions. Planning directors, permitting departments and city administrators were notified of the survey by email.

## Survey responses

Commerce sent the survey to 179 counties, cities and towns. Of those, 51 responded (28.5% response rate). Twenty-six respondents required impact fees and 24 reported issuing deferrals. All deferral requests were granted and only two communities did not have deferrals fully paid or on time.

## Deferral data

Table 1: Total deferral by type of impact fee

Type of impact fee	Deferrals requested	Deferrals issued	Deferrals not paid fully or on time
Fire protection facility	1	1	0
Parks	463	463	136
Schools	461	461	136
Transportation	469	469	138
Total impact fees	1,394	1,394	410

Table 2: Fire protection facility impact fee deferrals

Jurisdiction	Deferrals requested	Deferrals issued	Deferrals not paid fully or on time
Auburn	1	1	0
Total impact fees	1	1	0

Table 3: Park deferrals

Jurisdiction	Deferrals requested	Deferrals issued	Deferrals not paid fully or on time
Auburn	1	1	0
Buckley	10	10	0
Ferndale	27	27	0
Kitsap County	267	267	0
Olympia	20	20	0
Ridgefield	136	136	136
University Place	2	2	0
Total impact fees	463	463	136

Table 4: School facility deferrals

Jurisdiction	Deferrals requested	Deferrals issued	Deferrals not paid fully or on time
Auburn	1	1	0
Buckley	10	10	0
Ferndale	27	27	0
King County	2	2	0
Kitsap County	267	267	0
Olympia	18	18	0
Ridgefield	136	136	136
Total impact fees	461	461	136

Table 5: Transportation deferrals

Jurisdiction	Deferrals requested	Deferrals issued	Deferrals not paid fully or on time
Auburn	1	1	0
Buckley	10	10	0
Ferndale	27	27	0
Kitsap County	267	267	0
Olympia	22	22	0
Ridgefield	136	136	136
University Place	6	6	2
Total impact fees	469	469	138