

Transportation Impact Fees

Transportation impact fees must be used for “public streets and roads” that are addressed by a capital facilities plan element of a comprehensive plan adopted under the GMA ([RCW 82.02.050](#)(4) and [RCW 82.02.090](#)(7)).

It is unclear whether state law allows these impact fees to be used to fund multimodal improvements, but such use is probably acceptable as long as the improvement is within the street right-of-way - such as bus lanes, sidewalks, or bike lanes - and there is a strong transportation-related justification. However, it is doubtful that impact fees could pay for buses, vanpool vehicles, recreational trails, or other projects outside the right-of-way.

Since impact fees are restricted to capital facilities, they cannot be used to fund transportation studies or operating and maintenance costs.

Bellingham has compiled a [comparison of 2017-18 transportation impact fee base rates in Western Washington](#).

Note: This information only applies to transportation impact fees authorized by [RCW 82.02.050](#) - [.110](#) and [WAC 365-196-850](#) for jurisdictions planning under GMA. Separate legislation (the Local Transportation Act, [chapter 39.92 RCW](#), whose initial passage predated GMA by two years) authorizes all counties, cities, towns, and [transportation benefit districts](#) across the state - including those not planning under GMA - to impose transportation impact fees, but MRSC is not aware of any jurisdictions that currently do so under that authority.

Impact fees may not be used to correct existing deficiencies. For instance, a school district may use the impact fees from a development to pay for construction of new classrooms at specific schools to accommodate the increased enrollment anticipated from that specific development. But the district *may not* use the impact fees to build new classrooms to reduce overcrowding caused by existing residents.

An impact fee ordinance, however, “may provide for the imposition of an impact fee for system improvement costs previously incurred by a county, city, or town to the extent that new growth and development will be served by the previously constructed improvements provided such fee shall not be imposed to make up for any system improvement deficiencies” ([RCW 82.02.060](#)(8)). For example, if a public works maintenance facility was designed and constructed to address both existing deficiencies (say, 60%) and future growth needs (say, 40%), impact fees could be used to pay for up to 40% of the debt service on the bond issued for that facility.

Local Transportation Act

The Local Transportation Act ([chapter 39.92 RCW](#)) authorizes local governments to develop and adopt programs for the purpose of jointly funding, from public and private sources, transportation improvements necessitated in whole or in part by economic development and growth within their respective jurisdictions. Cities operating under this chapter are authorized to

impose transportation impact fees on development to pay for "reasonable and necessary off-site transportation improvements to solve the cumulative impacts of planned growth and development in the plan area." [RCW 39.92.030\(4\)](#).

The Act specifies various requirements for transportation programs. The authorized programs must be based on an adopted transportation plan and the fee must be calculated from a specified list of capital projects. Traffic impact fees cannot exceed an amount that the city can demonstrate is reasonably necessary as a direct result of the proposed development.

Transportation Benefit Districts

Cities and counties may establish transportation benefit districts (TBDs) to fund transportation improvements. TBDs may raise revenue a variety of ways, but the primary funding sources are nonvoted vehicle license fees up to \$50 (subject to certain conditions) and voted sales and use taxes up to 0.2 percent.

For more details, see our page on [Transportation Benefit Districts](#).

Local Improvement Districts

[Chapters 35.43 through 35.56 RCW](#) authorize and establish the mechanisms for cities to carry out a wide range of public improvements, including streets, parking facilities, water and sewer systems, parks and recreational facilities, underground utilities, and transportation facilities, and to assess for benefited property owners the costs of such improvements. Similarly, [chapter 36.88 RCW](#) authorizes counties to form road improvement districts.

For more details, see our page on [Local Improvement Districts](#) and our [Local and Road Improvement Districts Manual](#).