Washington State Department of Commerce

# 2025 Impact Fee Deferral Report

Annual report pursuant RCW 43.31.980

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Report to the Legislature

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LOCAL GOVERNMENT DIVISION
GROWTH MANAGEMENT
SERVICES

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# Acknowledgments

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# Introduction

## Authorizing legislation

Per RCW 43.31.980,[1] the Department of Commerce (Commerce) must annually report on the deferral process for impact fees. RCW 82.02.050(3) outlines the authority and limitations for local governments to impose impact fees.[2] The reporting requirements include:

- The number of deferrals requested of and issued by counties, cities and towns
- The number of deferrals that were not fully and timely paid
- Other information as deemed appropriate

Commerce published its first report in 2018. This is the eighth annual report.

## Background

During the 2015 session, the Legislature passed Chapter 241, Laws of 2015 (SB 5923), which, in part, established a deferral program for impact fees.[3] 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. Additionally, local governments may opt 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 Sept. 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 a 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 in August and Sept. 2025. The survey included 18 questions. Planning directors, permitting departments and city administrators were notified of the survey by direct email and Growth Management Services' monthly Planners' Newsletter.

## Survey responses

Commerce sent the survey to 310 counties, cities and towns. Of those, 109 responded, a 35.2% response rate. Fifty-six respondents reported requiring impact fees, and seven reported issuing deferrals. All deferral requests were granted, and only one community did not have deferrals fully paid or submitted on time.

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[1] Washington State Legislature, "RCW 43.31.980 – Impact fee annual report. Retrieved,"
[2] Washington State Legislature, "RCW 82.02.050 – Impact fees: Intent and limitations,"
[3] Washington State Legislature, "Session Laws of 2015, Senate Bill 5923, Chapter 241, Section 4."

# 2024 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 | 5 | 5 | 0 |
| Parks | 176 | 176 | 0 |
| Schools | 17 | 17 | 1 |
| Transportation | 125 | 125 | 0 |
| **Total impact fees** | **323** | **323** | **1** |

**Table 2: Fire protection facility impact fee deferrals**

| Jurisdiction | Deferrals requested | Deferrals issued | Deferrals not paid fully or on time |
|---|---|---|---|
| City of Redmond | 5 | 5 | 0 |
| **Total deferrals** | **5** | **5** | **0** |

### Table 3: Park impact fee deferrals

| Jurisdiction | Deferrals requested | Deferrals issued | Deferrals not paid fully or on time |
|---|---|---|---|
| City of Ridgefield | 147 | 147 | 0 |
| City of Duvall | 10 | 10 | 0 |
| City of Redmond | 5 | 5 | 0 |
| City of La Center | 5 | 5 | 0 |
| City of Bellingham | 4 | 4 | 0 |
| City of Puyallup | 4 | 4 | 0 |
| City of Milton | 1 | 1 | 0 |
| **Total deferrals** | **176** | **176** | **0** |

### Table 4: School impact fee deferrals

| Jurisdiction | Deferrals requested | Deferrals issued | Deferrals not paid fully or on time |
|---|---|---|---|
| City of Redmond | 5 | 5 | 0 |
| City of La Center | 5 | 5 | 0 |
| City of Bellingham | 4 | 4 | 0 |
| City of Ridgefield | 2 | 2 | 0 |
| City of Milton | 1 | 1 | 0 |
| King County | 0 | 0 | 1 |
| **Total deferrals** | **17** | **17** | **1** |

**Table 5: Transportation impact fee deferrals**

| Jurisdiction | Deferrals requested | Deferrals issued | Deferrals not paid fully or on time |
|---|---|---|---|
| City of Ridgefield | 96 | 96 | 0 |
| City of Duvall | 10 | 10 | 0 |
| City of Redmond | 5 | 5 | 0 |
| City of La Center | 5 | 5 | 0 |
| City of Bellingham | 4 | 4 | 0 |
| City of Puyallup | 4 | 4 | 0 |
| City of Milton | 1 | 1 | 0 |
| **Total deferrals** | **125** | **125** | **0** |