

JAY INSLEE  
Governor



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May 21, 2013

To the Honorable Speaker and Members,  
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Engrossed Substitute House Bill 1652 entitled:

“AN ACT Relating to establishing a process for the payment of impact fees through provisions stipulated in recorded covenants.”

This bill requires local governments that collect impact fees from applicants for residential building permits, pursuant to the Growth Management Act, to adopt a system that defers the payment of the fees.

The deferral of impact fees under the bill would delay funding for schools when the state’s paramount duty is to fund education. Many schools require impact fee revenues early in the calendar year to secure portable classrooms needed by the start of the new school year to ensure that students have appropriate classroom sizes and a healthy learning environment. Delayed payment of the fees can also adversely affect local transportation and fire protection services and other amenities needed to support growth.

I recognize that our construction industry has not fully recovered from the recession. While the number of new building projects is up, many builders have not returned to work, especially smaller builders who are unable to secure financing. I would support a bill that is targeted to provide assistance to small builders. Because the majority of construction is done by larger builders, a more targeted bill would minimize the effect on schools, cities and others that depend on impact fees. I am prepared to work with the Legislature to pass a new bill during the current Special Session that defers impact fees for small builders.

For these reasons I have vetoed Engrossed Substitute House Bill 1652 in its entirety.

**Veto Message**  
Page 2 of 2

Respectfully submitted,

/s/

Jay Inslee  
Governor