

SENATE BILL REPORT

SB 6023

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, February 1, 2012

Title: An act relating to creating the permit efficiency and accountability committee to select priority economic recovery projects for review by multiagency permitting teams.

Brief Description: Creating the permit efficiency and accountability committee to select priority economic recovery projects for review by multiagency permitting teams.

Sponsors: Senators Swecker, Prentice, Benton, Pridemore, Schoesler, Haugen, Kilmer, Chase, Hill, Holmquist Newbry, Becker, Ranker, Ericksen, Shin and Frockt.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 1/16/12, 1/30/12, 2/01/12 [DPS].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 6023 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Chase, Vice Chair; Baumgartner, Ranking Minority Member; Ericksen, Hatfield, Kilmer and Shin.

Staff: Jack Brummel (786-7428)

Background: Multiagency Permitting (MAP) teams were authorized in 2010 legislation to spur economic development and job creation during the current economic and financial crisis. MAP teams coordinate permitting and integrate regulatory decision making for certain targeted public and private projects, at the request of proponents of those projects. Project proponents may provide funding through cost-reimbursement agreements. The Office of Regulatory Assistance (ORA) manages MAP teams.

Summary of Bill (Recommended Substitute): A second process is created to use MAP teams, focused on priority economic development projects supported by local communities and creating or retaining a substantial number of jobs.

The Permit Efficiency and Accountability Committee (PEAC), is created with nine voting members and up to ten non-voting members. The voting members include four legislators;

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one representative each from the departments of Ecology, Fish & Wildlife, and Natural Resources; one representative of the Association of Washington Cities; and one representative of the Washington State Association of Counties. The nonvoting members include representatives of business, environmental, tribal organizations, and federal agencies.

PEAC is authorized to: (1) select priority economic recovery projects; (2) assign those projects to MAP teams to coordinate permitting and integrate regulatory decision making for the projects; and (3) monitor MAP team progress regarding the projects. PEAC may select up to two projects by July 31, 2012, and others later, based on resources of project proponents and permit agencies. PEAC may not supersede the permitting authority of a permitting agency, nor may it supersede existing statutes, administrative rules, or local ordinances or regulations.

The current MAP cost reimbursement and cost sharing contracting process is clarified. Invoices for cost-reimbursement may be challenged and OFM may resolve such challenges. Provisions relating to the MAP account are changed including making it a non-appropriated account rather than an appropriated account.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Substitute): The Legislature declares its intent to establish a process to ensure cost-reimbursement resources are effectively used to address permit agency staffing and capacity limitations. The PEAC committee's selection of priority economic recovery projects will be by consensus rather than a two-thirds vote. Permit agency costs, impacts and priorities are to be considered in selecting priority projects beyond the initial two. The committee may not supersede the permitting authority of a permitting agency, nor may it supersede existing statutes, administrative rules, or local ordinances or regulations. Cost-reimbursement agreements must include provisions for covering agency costs. ORA policies on cost-reimbursement must address staffing and capacity limitations of ORA and agencies. Invoices for cost-reimbursement may be challenged and OFM may resolve such challenges.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Original Bill: PRO: This will pre-position Washington for economic recovery. It is similar to the Transportation Permit Efficiency and Accountability Committee (TPEAC) which was very successful. This streamlining will put Washington in an excellent position to attract new jobs and businesses to the state. TPEAC has worked to streamline permitting while protecting the environment. This process has shown effectiveness and opportunities for public involvement.

OTHER: There are concerns about a new committee and the costs associated with it. The MAP team process is well-regarded. If cost reimbursement is not required then we need to

avoid forcing agencies into a process without resources to cover their costs. Coordinated permitting is important to communication, scheduling, and a reduction in appeals. Some language about PEAC not superseding authority of agencies would be useful. Agencies need cost-reimbursement to be required of project proponents.

Persons Testifying: PRO: Senator Swecker, prime sponsor; Bruce Wishart, People for Puget Sound.

OTHER: Faith Lumsden, ORA; Karen Terwilliger, Dept. of Ecology; Heath Packard, Dept. of Natural Resources.