

SENATE BILL REPORT

SSB 6359

As Amended by House, March 1, 2012

Title: An act relating to modifying provisions related to the office of regulatory assistance.

Brief Description: Modifying provisions related to the office of regulatory assistance.

Sponsors: Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Eide, Kastama, Kilmer and McAuliffe).

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 1/26/12, 1/30/12 [DPS, w/oRec].

Passed Senate: 2/11/12, 36-12.

Passed House: 3/01/12, 58-38.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 6359 be substituted therefor, and the substitute bill do pass.

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

Minority Report: That it be referred without recommendation.

Signed by Senators Holmquist Newbry and Zarelli.

Staff: Edward Redmond (786-7471)

Background: The Washington State Office of Regulatory Assistance (ORA) was created in the Office of Financial Management in 2003. In 2009 the Legislature substantially changed ORA's statute, providing for gubernatorial appointment of the Director, re-stating ORA's purpose and increasing the scope of its work. ORA seeks to improve the function of environmental and business regulatory processes by identifying conflicts and overlaps in the state's rules, statutes, and operational practices.

ORA provides a variety of services, including acting as the central point of contact and coordination for project proponents, conducting project scoping, and assisting in conflict resolution. The ORA is to assist local jurisdictions with their local project review

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requirements, report biennially on performance, and provide biennial recommendations on system improvements.

Summary of Substitute Bill: ORA must provide information to local jurisdictions concerning best permitting practices, methods for improving early communication with state agencies, and effective ways to assess and communicate project timelines and costs.

ORA's biennial performance report must include the number and type of projects or initiatives the office assisted and the key agencies it collaborated with; specific information regarding difficulties encountered in providing services or implementing programs; trend reports comparing statements of goals and performance targets to actual achievements; and system improvement recommendations, including but not limited to, environmental permitting.

ORA may require a state or local agency to attend a project scoping meeting in order to identify the relevant issues and information needs of a permit applicant.

The following applies to a project under a cost-reimbursement agreement:

- the agreement must require ORA, the permit applicant, and participating agencies to develop and update a project work plan that ORA must post online and share with each party to the agreement;
- the agreement must identify the proposed project, the desired outcomes, and maximum cost for work under the agreement;
- each agency participating in the agreement must give priority to the project without reducing or eliminating any regulatory requirements during the review process;
- reasonable reimbursement cost is either determined based on time and materials with a contract maximum or a flat rate based on required staffing hours;
- the agreement may include deliverables and schedules for invoicing and reimbursements; and
- advance payment may be required for some or all of the cost-reimbursement agreement; the release of payments to the participating agencies is held until the invoice is approved by the permit applicant.

Upon request, ORA must verify whether the agencies have met the obligations contained in the project work plan and cost-reimbursement agreement. Notification and an explanation must be given to ORA if any party is unable to meet its obligations under the agreement. ORA must notify all parties to the agreement and work collaboratively to resolve the issue.

All cost-reimbursement agreement and solicitation receipts must be deposited into the multiagency permitting team account. Expenditures from the account may only be used for administrative purposes of the multiagency permitting teams including staffing, consultant, technology and other administrative costs.

A certification process is established for local level permitting. ORA is required to work with local jurisdictions to establish criteria and the process for certifying a permit process as streamlined. Once certified, a local jurisdiction will receive priority when applying for state infrastructure funding.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony as Heard in Committee: PRO: The bill solidifies a number of ORA's current practices which are necessary to give the agency a good baseline moving forward. The bill gives ORA some authority to direct agencies with respect to the permitting process. The bill further establishes administrative procedures for cost reimbursement that will clearly have some benefit to the applicant. The agencies are very good partners with ORA and support this legislation. ORA will benefit from this legislation and the systems will work more efficiently, which will in the end be good for businesses and job creation.

Persons Testifying: PRO: Faith Lumsden, ORA.

House Amendment(s): Requires ORA to provide recommendations on how to reduce both the time and cost of the environmental permitting process, as part of its performance report obligations. Requires the work for certifying permit processes at the local level to be accomplished within available funds. Requires the Director of ORA to work with local jurisdictions to establish the criteria and process for the certification program.