

SENATE BILL REPORT

SB 6373

As of January 26, 2012

Title: An act relating to economic development by requiring performance audits of certain permit practices by the state auditor.

Brief Description: Concerning economic development by requiring performance audits of certain permit practices by the state auditor.

Sponsors: Senators Kilmer, Kastama, Parlette and Shin.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 1/23/12.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Staff: Edward Redmond (786-7471)

Background: In 2007 the Legislature passed ESB 5508; encouraging city, county, and state agencies to improve the permitting process by providing permit applicants with more details regarding the status of their applications. This includes specifying the time an agency will need to make a permit decision and the minimum amount of information required for a decision; providing notice once an application is considered complete for processing; detailing the expected fees; and if a permit is denied, providing a written explanation describing the reasons for the denial. The bill further encouraged agencies to annually report on the success in providing this information.

The Legislature also required the Office of Regulatory Assistance (ORA) to assist local jurisdictions by providing information regarding best practices in local government permitting. In 2008 ORA released its findings on best practices which recommended the following six practices for effective permitting:

- build a mutual understanding of the how and why of the permit process with all stakeholders, and work together to educate all participants about how to be effective during the permit review;
- contact stakeholders early so critical issues can be identified and resolved without surprise and rework later in the process;
- ensure complete applications by defining what constitutes a complete application, making this list clear to applicants, and requiring that these items be present at the time of submittal;

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- analyze process, performance, and costs so applicants and reviewers know how to execute the steps;
- use information technology – such as electronic permit tracking systems and geographic information systems – to improve communication, reduce paperwork and build easily accessible project records; and
- implement systems for staffing flexibility to maintain performance during high volume periods or to quickly add specialty skills when needed, including temporary hiring, on-call consultants, contracting out, and interlocal agreements.

Summary of Bill: The State Auditor (Auditor) must complete a performance audit of a representative sample of permit practices at the local city and county level. The performance audit must take into consideration the permit process-improvement recommendations under ESB 5508, as well as any other factors the Auditor deems appropriate. Once complete, the audit must be submitted to the Public Works Board, the Community Economic Revitalization Board, and the appropriate standing committees of the Legislature (State Entities). Beginning 2015 the Auditor must report biennially to the State Entities on any findings and recommendations based on the audit review.

Appropriation: None.

Fiscal Note: Requested on January 19, 2012.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: In 2007 a group of us worked on ESB 5508, which passed the Legislature. That bill attempted to lay out specific expectations one should expect when applying for a permit related to economic development, including the right to know the application process, what is expected of you as an applicant, how long it will take, and how much it will cost. The rationale behind that legislation was to make the process more transparent and remove inefficient delays in the permitting process. The performance audit required under this bill will allow the Legislature to analyze how local jurisdictions are doing in terms of complying with our permitting objectives. ESB 5508 was not an unfunded mandate; rather, it was an incentive for local governments to comply with that law. The incentive was provided in the form of bonus points awarded to local governments if they complied with the permitting law when applying for infrastructure dollars.

The Association of Washington Businesses supports this bill. It is complimentary to other measures seeking to create efficiencies in the permitting process. A permit can either make or break a business opportunity. Understanding the numerous changes at the city and county level is very complicated. Anything the state can do to simplify that process is welcomed. The Independent Business Association is also in support of this bill.

Persons Testifying: PRO: Senator Kilmer, prime sponsor; Amber Carter, Assn. of WA Businesses; Gary Smith, Independent Business Assn.