
Government Operations & Elections Committee

HB 2192

Brief Description: Promoting economic development through enhancing transparency and predictability of state agency permitting and review processes.

Sponsors: Representatives Smith, Hansen, Haler, Buys, Hayes, Parker, Short, Seaquist, Pike, Scott, Zeiger, Hargrove, Manweller, Holy, Magendanz, Vick and Wilcox.

Brief Summary of Bill

- Requires state agencies to track and record data regarding permit timelines.
- Requires agencies to post specific permit assistance information on agency's website.
- Starting in 2015 agencies will report annually to the Legislature about the data collected for the permit process.

Hearing Date: 1/31/14

Staff: Marsha Reilly (786-7135).

Background:

Programs to Improve Regulatory Process.

Several programs have been established, through legislation and executive order, to improve the regulatory process in the state.

- Executive Order 06-02 directed the development of a One-Stop Business Portal, with the intent of offering a single, secure, online portal that would make licensing, permitting, regulatory approvals or filings, and tax collection easier for business. The portal can be accessed at www.Business.wa.gov, and contains services and resources related to doing business in Washington.
- Executive Order 10-05 directed the Department of Commerce, working with the Governor's Office of Regulatory Assistance and key state agencies that regulate business,

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

to consolidate the variety of small business licensing, registration and certification guides into one integrated online resource available across all state agencies by June 30, 2011.

The Legislature created the Office of Regulatory Assistance (ORA) in 2002 to address potential conflict, overlap, and duplication in Washington's environmental permits. The ORA's functions regarding permits and licenses fall into three areas: supplying information, providing assistance and coordination, and improving regulatory processes.

Performance Audits of Regulatory Processes.

In 2012 the State Auditor completed an audit of state regulatory practices. The audit addressed two questions:

- Do Washington state government websites effectively provide regulatory information to businesses?
- Do Washington regulatory agencies have processes in place to streamline their business rules consistent with Governor Gregoire's executive order.

Regarding website access to business information, the audit found that the vision of a one-stop business portal has not yet been achieved; regulatory information on regulatory agency websites is incomplete, and not all sites are easy to use; and only 23 percent of permits and licenses provide online information about processing times.

Regarding rule streamlining, the audit found that agencies are streamlining some of their rules and some agencies' streamlining practices are in alignment with the Governor's EO; three agencies, Ecology, Health, and Labor and Industries, could improve their streamlining practices for formalizing their review processes; and none of the agencies measured the results of streamlining activity to determine whether rule revisions had the intended effect.

Audit recommendations included that all state regulatory agencies adopt streamlining processes that include:

- documentation of the review requirement and the process;
- review in regular intervals to ensure all business rules are evaluated to determine if streamlining is needed;
- specific criteria to evaluate the need, consistency, and clarity of existing rules; and
- measurement and tracing of results, before and after rules are streamlined.

In 2013 the State Auditor completed a performance audit on improving permit timeliness. The audit revealed that not all agencies:

- track permit processing times;
- tell businesses processing times;
- provide businesses sufficient up-front assistance; or
- use data to identify and correct process delays.

The audit recommendations included that agencies should:

- track and publish permit processing times;
- identify decision time targets;
- provide assistance to applicants early in the process;
- use performance data to identify and eliminate process bottlenecks; and

- share effective practices among agencies.

Summary of Bill:

The stated intent is to improve the predictability and efficiency of permit decisions by making information about permitting assistance and timelines more readily available to the public.

Each agency that issues permits is required to track and record the time it takes to make permitting decisions. At a minimum, the following performance data must be tracked and recorded:

- The time from initial submission of an application by an entity seeking a permit to the time the agency determines it is complete.
- The time from the receipt of the complete application to the agency's decision.

The following information must be made available to permit applicants on the agency website:

- A list of the types of permit assistance available and how the assistance can be accessed.
- Estimated time for an agency to process permits and issue decisions based on the performance data collected.
- Other tools that will help applicants successfully complete their application, such as examples of completed applications, examples of approved applications, and checklists for ensuring a complete application.

By January 31, 2015, and by each January 31 thereafter, each agency must report the following information to the Legislature:

- The performance data for all permits completed in the preceding year, the median time it took to complete, the maximum time it took to complete, and the average time it took to issue a decision excluding the 5 percent that took the shortest and longest to complete.
- The list of permits for which the agency has posted processing times on the agency's website and if any permits do not have a processing time posted, an explanation for why the agency has not posted the times.

By January 31, 2016, and every four years thereafter, each agency will provide a report to the Legislature with information on:

- The permit issuance times.
- A list of permits whose processing and decision times have improved relative to the previous reporting period.
- A list of permits that takes longer than two weeks from the initial application to completion of applications, or longer than two weeks from completion of application to issuance of a final decision.
- For each permit listed, a explanation about how the agency intends to use the performance data to identify and resolve performance issues.

The departments of Ecology, Labor and Industries, Health, and Transportation must prepare the report by January 31 of each even numbered year.

The procedures implemented due to the requirements under this act are added to the integration efforts required by the Quality Management, Accountability, and Performance System.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.