

FINAL BILL REPORT

E2SHB 2192

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Synopsis as Enacted

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

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Smith, Hansen, Haler, Buys, Hayes, Parker, Short, Seaquist, Pike, Scott, Zeiger, Hargrove, Manweller, Holy, Magendanz, Vick and Wilcox).

House Committee on Government Operations & Elections
House Committee on Appropriations
Senate Committee on Trade & Economic Development

Background:

Regulatory Process Programs.

Several programs have been established, through legislation and executive order, relating to the state regulatory process:

- Executive Order 06-02 directed the development of a one-stop business portal, to offer a single, secure, online portal that would make licensing, permitting, regulatory approvals or filings, and tax collection easier for business. The portal contains services and resources related to doing business in Washington.
- 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.
- Executive Order 10-05 directed the Department of Commerce, working with the ORA and key state agencies that regulate business, to consolidate the variety of small business licensing, registration, and certification guides into one integrated online resource available across all state agencies.

Performance Audits of Regulatory Processes.

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

- Do Washington government websites effectively provide regulatory information to businesses?

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.

- Do Washington regulatory agencies have processes in place to streamline their business rules consistent with executive orders?

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, 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 executive orders. The audit determined that three agencies could improve their streamlining practices for formalizing their review processes: (1) the Department of Ecology; (2) the Department of Health; and (3) the Department of Labor and Industries. None of these agencies measured the results of streamlining activity to determine whether rule revisions had the intended effect.

The audit recommended 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:

Each agency that issues permits indicated in the State Auditor's December 30, 2013, performance audit report 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; and
- the time from the receipt of the complete application to the agency's decision to approve or deny the permit.

By March 1, 2016, and every even-numbered year thereafter until 2020, each agency must provide a report to the ORA with information on its performance data including application completion times and decision issuance times.

To provide meaningful customer service that informs project planning and decision making for citizens and businesses, the following information must be made available to permit applicants through a link from the agency's website to the ORA website:

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

To ensure that agencies can post the required information online with minimal expenditure of agency resources, the Office of the Chief Information Officer (OCIO), in consultation with the ORA, will establish a central repository for permit performance and assistance information, hosted on the ORA's website. The ORA will ensure the searchability of information posted on the central repository.

By September 2016, and each even-numbered year thereafter until 2020, the ORA must publish a comprehensive progress report on the performance of agencies in tracking permit timelines and other efforts to improve regulatory permitting. The report must:

- disclose the performance data for each agency for the previous year;
- provide an updated list of each agency's inventory of permits; and
- identify permits with most-improved and most-in-need-of improvement processing and decision times, based on the performance data.

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

Votes on Final Passage:

House	96	0
Senate	48	0

Effective: June 12, 2014