

HOUSE BILL REPORT

SB 6045

As Reported by House Committee On: Government Operations & Elections

Title: An act relating to promoting economic development through enhancing transparency and predictability of state agency permitting and review processes.

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

Sponsors: Senators Brown, Chase, Rivers, Schoesler, Bailey, Angel, Becker, Honeyford and Roach.

Brief History:

Committee Activity:

Government Operations & Elections: 2/25/14 [DPA].

Brief Summary of Bill (As Amended by Committee)

- Requires state executive branch agencies (agencies) to track and record performance data regarding permit timeliness.
- Requires agencies to post specific permit assistance information on the agency's website.
- Requires agencies to report performance data regarding permit timeliness in each even-numbered year from 2016 until 2020 to the Office of Regulatory Assistance (ORA) and requires the ORA to publish a comprehensive progress report to the economic development committees of the Legislature and to the Governor.
- Requires the Office of the Chief Information Officer, in consultation with the ORA, to establish a central repository for permit performance and assistance information, hosted on the ORA's website.

HOUSE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass as amended. Signed by 11 members: Representatives S. Hunt, Chair; Bergquist, Vice Chair; Taylor, Ranking Minority Member; Young, Assistant Ranking

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.

Minority Member; Carlyle, Christian, Kretz, Manweller, Orwall, Robinson and Van De Wege.

Staff: Amanda Ondrick (786-7296) and Jasmine Vasavada (786-7301).

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.
- 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 by June 30, 2011.

In 2013 the State Auditor completed a performance audit on improving permit timeliness. Fourteen state executive branch agencies (agencies) and 225 business permits were included in the audit. The audit revealed that not all agencies:

- track permit processing times;
- tell businesses processing times;
- provide businesses sufficient upfront 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 Amended Bill:

The stated intent of the amended bill is to improve the predictability and efficiency of permit decisions by making information about permitting assistance and timelines more readily available to the public. To accomplish this, each agency that issues business permits included in the State Auditor Office's December 30, 2013 Performance Audit 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 the application 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 will provide a report to the ORA with information on the agencies' 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 can 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 shall 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 from the previous year(s);
- 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.

If specific funding for the purposes of this bill is not provided by June 30, 2014, in the omnibus appropriations act, the bill becomes null and void.

Amended Bill Compared to Original Bill:

Reporting.

The amended bill:

- requires each agency to prepare and submit an inventory of all the business permits the agency issues that were included in the State Auditor Office's December 30, 2013, Performance Audit to the ORA by June 30, 2014;
- requires agencies to report performance data to the ORA instead of to the Legislature, but requires the ORA to make individual agency reports available, upon request;
- requires all agencies to report biennially, instead of identifying four agencies for biennial reporting and 10 agencies for reporting every four years;
- changes reporting dates for agencies from every January 31, 2015, and each year thereafter, to by March 1, 2016, and each even year thereafter until 2020; and
- requires the ORA to publish a comprehensive progress report to the economic development committees of the Legislature and to the Governor by September 30, 2016, and every two years thereafter through 2020.

Online Information.

The amended bill:

- reduces the kinds of performance data that agencies must post online;
- requires agencies to post estimates of application completion and permit decision times based on the performance data collected. This information must be updated annually from the previous calendar year by March 1;
- requires the OCIO, in consultation with the ORA, to establish a central repository for permit performance and assistance information, hosted on the ORA's website;
- provides for agencies to post permit performance and assistance information online through a link to the central repository; and
- requires the ORA to ensure the searchability of the permit performance and permit assistance information, applying industry best practices to ensure that the information is readily findable and accessible.

Performance Data.

The amended bill:

- clarifies that each agency shall track and record, for each application it receives or decision it issues, the application completion time, which is the time elapsed from receipt of application to the time at which the agency has determined the application complete, and the permit decision time, which is the time elapsed from receipt of complete application to the time of issuance of a decision about the permit;
- requires the ORA to identify permits with most-improved and most-in-need-of-improvement processing and decision times, based on the performance data; and
- provides that in the comprehensive progress report, each agency may include a statement describing progress improvements the agency has identified for implementation in order to improve processing and decision times.

Null and Void Clause.

The amended bill adds a null and void clause that states if specific funding for the purposes for this bill is not provided by June 30, 2014, in the omnibus appropriations act, the bill becomes null and void.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) This is a great bill. Many constituents have made representations to their lenders promising to have their doors open for business on a certain date, but could not open on time because their permitting got mired in all sorts of problems. This bill requires agencies to take a look at the requirements that are needed for a business to open its doors and post those requirements on a website. Posting permit requirements will help facilitate the business owner in complying with all the rules and regulations they must go through to open a business.

(Opposed) None.

Persons Testifying: Senator Brown, prime sponsor; and Mike Ennis, Association of Washington Business.

Persons Signed In To Testify But Not Testifying: None.