

SENATE BILL REPORT

E2SHB 2192

As Reported by Senate Committee On:
Trade & Economic Development, February 27, 2014

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: 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).

Brief History: Passed House: 2/14/14, 96-0.

Committee Activity: Trade & Economic Development: 2/27/14 [DP-WM].

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Braun, Chair; Angel, Vice Chair; Chase, Ranking Member; Holmquist Newbry and Pedersen.

Staff: Jeff Olsen (786-7428)

Background: The State Auditor's Office (SAO) conducts state government audits, local government audits, and performance audits. On September 6, 2012, SAO released the performance audit Regulatory Reform: Communicating Regulatory Information and Streamlining Business Rules. The audit included an inventory of business regulations, a review of website access to business information, and a survey of how regulatory agencies streamline their existing business rules. The report makes several recommendations regarding access to regulatory information and rule streamlining, including a recommendation that all state regulatory agencies measure and track results of rule streamlining efforts and provide complete and accurate information for all business licenses and permits on their websites.

Summary of Bill: State agencies must submit an inventory of all business permits to the Office of Regulatory Assistance (ORA) by June 30, 2014. Each agency must track and record the time it takes to make permitting decisions, including the Department of

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.

Agriculture, the Department of Archaeology and Historic Preservation, the Department of Ecology, the Department of Fish and Wildlife, the Gambling Commission, the Department of Health, the Department of Labor and Industries, the Department of Licensing, the Liquor Control Board, the Department of Natural Resources, the Parks and Recreation Commission, the Department of Revenue, the Department of Transportation, and the Utilities and Transportation Commission. Agencies are encouraged to track information that will assist businesses to successfully plan their activities, make sound investment choices, reduce permitting costs, and avoid delays. At a minimum, agencies must track the time from initial submittal of an application to the time the agency determines that the application is complete; and also track the time from receipt of a complete application to the issuance of a decision approving or denying the permit.

Agencies must also provide information on their website including the types of permit assistance available, an estimate of the time required to process an application, examples of model completed applications, and checklists for ensuring a complete application. By March 1, 2016, and every even-numbered year until 2020, each agency must report to ORA with performance data on permit applications including average and maximum permit processing times. To ensure that agencies can post the required information online with minimal expenditure of agency resources, the Office of the Chief Information Officer, in consultation with ORA, will establish a central repository for permit performance and assistance information, hosted on ORA's website.

By September 30, 2016, and each even-numbered year until 2020, 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, 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.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed; however, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony: PRO: The bill implements provisions of the State Auditor's performance audit and includes input from the State Auditor, the Governor's Office, and the Office of the Chief Information Officer. The fiscal costs have been discussed with agencies and the estimates to implement are reduced from the original bill. Agencies must provide a list of permits required and put it on their website, tell applicants how to successfully apply, and track the time it takes to process the permits. Transparency and measurement should lead to improving permit processing times and predictability. Certain businesses are required to obtain a number of permits, which can be costly and lead to delays. Delays in permits can interrupt the delivery of service, and predictability and reliability in permitting is important to both businesses and their customers.

Persons Testifying: PRO: Representative Smith, prime sponsor; Michael Ennis, Assn. of WA Business; Carl Gipson, Frontier Communications.