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**SUBSTITUTE HOUSE BILL 2192**

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**State of Washington**

**63rd Legislature**

**2014 Regular Session**

**By** House Government Operations & Elections (originally sponsored by Representatives Smith, Hansen, Haler, Buys, Hayes, Parker, Short, Seaquist, Pike, Scott, Zeiger, Hargrove, Manweller, Holy, Magendanz, Vick, and Wilcox)

READ FIRST TIME 02/05/14.

1       AN ACT Relating to promoting economic development through enhancing  
2 transparency and predictability of state agency permitting and review  
3 processes; amending RCW 43.17.385; and adding a new chapter to Title 43  
4 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6       NEW SECTION.   **Sec. 1.** On December 30, 2013, the Washington state  
7 auditor's office issued a performance audit report, finding that state  
8 agencies could shorten the time it takes to submit, review, and make  
9 decisions on business permit applications through simple improvements.  
10 In response to the performance audit findings, the legislature intends  
11 to improve the predictability and efficiency of permit decisions by  
12 making information about permitting assistance and timelines more  
13 readily available to the public. The legislature finds that providing  
14 citizens and businesses with better information about permit decisions  
15 will assist their planning and decision making, promoting economic  
16 development. Making permit performance data readily accessible to  
17 citizens helps them hold government accountable to a high level of  
18 customer service and timeliness. Finally, requiring agencies to track  
19 the time it takes to issue permits equips agency leaders with key

1 information that can assist them in improving overall project  
2 schedules, better allocating resources, and identifying additional  
3 opportunities to better serve the public.

4 NEW SECTION. **Sec. 2.** The definitions in this section apply  
5 throughout this chapter unless the context clearly requires otherwise.

6 (1) "Agency" means the following executive branch agencies and  
7 offices of statewide elected officials:

8 (a) Department of agriculture;

9 (b) Department of archaeology and historic preservation;

10 (c) Department of ecology;

11 (d) Department of fish and wildlife;

12 (e) Gambling commission;

13 (f) Department of health;

14 (g) Department of labor and industries;

15 (h) Department of licensing;

16 (i) Liquor control board;

17 (j) Department of natural resources;

18 (k) Parks and recreation commission;

19 (l) Department of revenue;

20 (m) Department of transportation; and

21 (n) Utilities and transportation commission.

22 (2) "Office" means the office of regulatory assistance.

23 NEW SECTION. **Sec. 3.** (1) By June 30, 2014, each agency shall  
24 prepare and submit to the office an inventory of all the permits that  
25 it issues.

26 (2)(a) Each agency shall track and record the time it takes to make  
27 permitting decisions.

28 (b) Agencies are encouraged to track all relevant information that  
29 can assist Washington businesses in determining how long a permit  
30 process will take so that the businesses may successfully plan their  
31 activities and make sound investment choices, reduce permitting costs  
32 to the taxpayers in the form of unnecessary or duplicate staff work,  
33 and avoid permitting decision delays that can result in higher costs  
34 and lost revenue.

35 (c) At a minimum, each agency shall track and record the following

1 information for each permit application it receives or decision it  
2 issues:

3 (i) The application completion time, which is the time elapsed from  
4 the initial submission of an application by an entity seeking a permit  
5 to the time at which the agency has determined that the application is  
6 complete; and

7 (ii) The permit decision time, which is the time elapsed from  
8 receipt of a complete application to the agency's issuance of a  
9 decision approving or denying the permit.

10 (3) Each agency shall calculate, for each permit it has identified  
11 in its inventory, the following performance data:

12 (a) The average application completion and permit decision times  
13 for each permit, as measured by the times tracked for ninety percent of  
14 applications or permit decisions, excluding the five percent that took  
15 the shortest and the five percent that took the longest;

16 (b) The maximum application completion time, excluding applications  
17 that were withdrawn or never completed; and

18 (c) The maximum permit decision time.

19 (4) Each agency shall report to the office, as provided in this  
20 subsection (4).

21 (a) By March 1, 2016, each agency shall report the times calculated  
22 under subsection (3) of this section for the period from January 1,  
23 2015, to January 1, 2016.

24 (b) By March 1, 2018, and March 1, 2020, each agency shall report  
25 based on the times tracked and calculated since the previous reporting  
26 period.

27 (c) In each of the reports required under this section, each agency  
28 shall submit an updated inventory of permits. Each agency shall  
29 identify any permits listed in its inventory for which the agency has  
30 not yet posted permit processing times and other information as  
31 required under section 4 of this act and an estimated date for such  
32 posting prior to June 30, 2015.

33 (5) The office shall make available to the legislature, upon  
34 request, the individual agency reports submitted under subsection (4)  
35 of this section.

36 NEW SECTION. **Sec. 4.** (1) To provide meaningful customer service  
37 that informs project planning and decision making by the citizens and

1 businesses served, each agency must make available to permit applicants  
2 the following information through a link from the agency's web site to  
3 the office's web site, as provided in subsection (4) of this section:

4 (a) A list of the types of permit assistance available and how such  
5 assistance may be accessed;

6 (b) An estimate of the time required by the agency to process a  
7 permit application and issue a decision;

8 (c) Other tools to help applicants successfully complete a thorough  
9 application, such as:

10 (i) Examples of model completed applications;

11 (ii) Examples of approved applications, appropriately redacted to  
12 remove sensitive information; and

13 (iii) Checklists for ensuring a complete application.

14 (2) Each agency shall update at reasonable intervals the  
15 information it posts pursuant to this section.

16 (3)(a) Agencies must post the information required under subsection  
17 (1) of this section for all permits as soon as practicable, and no  
18 later than the deadlines established in this section.

19 (b) The agency shall post the permit inventory for that agency and  
20 the information required under subsection (1)(a) and (c) of this  
21 section no later than June 30, 2014.

22 (c) The agency shall post the estimates of application completion  
23 and permit decision times required under subsection (1)(b) of this  
24 section based on actual data for calendar year 2015 by March 1, 2016,  
25 and update this information for the previous calendar year, by March  
26 1st of each year thereafter.

27 (d) Agencies must consider the customer experience in ensuring all  
28 permit assistance information is simple to use, easy to access, and  
29 designed in a customer-friendly manner.

30 (4) To ensure agencies can post the required information online  
31 with minimal expenditure of agency resources, the office of the chief  
32 information officer shall, in consultation with the office of  
33 regulatory assistance, establish a central repository of this  
34 information, hosted on the office of regulatory assistance's web site.  
35 Each agency shall include at least one link to the central repository  
36 from the agency's web site. Agencies shall place the link or links in  
37 such locations as the agency deems will be most customer-friendly and  
38 maximize accessibility of the information to users of the web site.

1 (5) The office shall ensure the searchability of the information  
2 posted on the central repository, applying industry best practices such  
3 as search engine optimization, to ensure that the permit performance  
4 and assistance information is readily findable and accessible by  
5 members of the public.

6 NEW SECTION. **Sec. 5.** (1) By September 30th of 2016 and each even-  
7 numbered year thereafter up to and including 2020, the office shall  
8 publish a comprehensive progress report to the economic development  
9 committees of the house of representatives and the senate and to the  
10 governor on the performance of agencies in tracking permit timelines  
11 and other efforts to improve clarity and predictability of regulatory  
12 permitting. The report must include at a minimum for each agency a  
13 summary of the data reported by the agency to the office under section  
14 3(4) of this act.

15 (2) The office shall post the comprehensive progress report on its  
16 web site. The report must be easily accessible and designed in a  
17 customer-friendly format.

18 (3) Beginning with the 2016 report, the office must identify  
19 permits with processing and decision times that are most improved and  
20 processing and decision times that are most in need of improvement, as  
21 indicated by the performance data collected under section 3 of this  
22 act. Each agency may include a statement describing any process  
23 improvements the agency has identified for implementation in order to  
24 improve processing and decision times.

25 **Sec. 6.** RCW 43.17.385 and 2005 c 384 s 3 are each amended to read  
26 as follows:

27 (1) Each state agency shall, within available funds, develop and  
28 implement a quality management, accountability, and performance system  
29 to improve the public services it provides.

30 (2) Each agency shall ensure that managers and staff at all levels,  
31 including those who directly deliver services, are engaged in the  
32 system and shall provide managers and staff with the training necessary  
33 for successful implementation.

34 (3) Each agency shall, within available funds, ensure that its  
35 quality management, accountability, and performance system:

1 (a) Uses strategic business planning to establish goals,  
2 objectives, and activities consistent with the priorities of  
3 government, as provided in statute;

4 (b) Engages stakeholders and customers in establishing service  
5 requirements and improving service delivery systems;

6 (c) Includes clear, relevant, and easy-to-understand measures for  
7 each activity;

8 (d) Gathers, monitors, and analyzes activity data;

9 (e) Uses the data to evaluate the effectiveness of programs to  
10 manage process performance, improve efficiency, and reduce costs;

11 (f) Establishes performance goals and expectations for employees  
12 that reflect the organization's objectives; and provides for regular  
13 assessments of employee performance;

14 (g) Uses activity measures to report progress toward agency  
15 objectives to the agency director at least quarterly;

16 (h) Where performance is not meeting intended objectives, holds  
17 regular problem-solving sessions to develop and implement a plan for  
18 addressing gaps; and

19 (i) Allocates resources based on strategies to improve performance.

20 (4) Each agency shall conduct a yearly assessment of its quality  
21 management, accountability, and performance system.

22 (5) State agencies whose chief executives are appointed by the  
23 governor shall report to the governor on agency performance at least  
24 quarterly. The reports shall be included on the agencies', the  
25 governor's, and the office of financial management's web sites.

26 (6) The governor shall report annually to citizens on the  
27 performance of state agency programs. The governor's report shall  
28 include:

29 (a) Progress made toward the priorities of government as a result  
30 of agency activities; and

31 (b) Improvements in agency quality management systems, fiscal  
32 efficiency, process efficiency, asset management, personnel management,  
33 statutory and regulatory compliance, and management of technology  
34 systems.

35 (7) Each state agency shall integrate efforts made under this  
36 section with other management, accountability, and performance systems,  
37 including procedures implemented under chapter 43.--- RCW (the new

1 chapter created in section 7 of this act), undertaken under executive  
2 order or other authority.

3 NEW SECTION. **Sec. 7.** Sections 1 through 5 of this act constitute  
4 a new chapter in Title 43 RCW.

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