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**SUBSTITUTE SENATE BILL 5964**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Mullet, Kuderer, Gildon, and Saldaña)

READ FIRST TIME 02/07/22.

1 AN ACT Relating to consolidated local permit review processes;  
2 amending RCW 36.70B.140; and adding new sections to chapter 36.70B  
3 RCW.

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

5 **Sec. 1.** RCW 36.70B.140 and 1995 c 347 s 418 are each amended to  
6 read as follows:

7 (1) A local government by ordinance or resolution may exclude the  
8 following project permits from the provisions of RCW 36.70B.060  
9 through 36.70B.090 and 36.70B.110 through 36.70B.130: Landmark  
10 designations, street vacations, or other approvals relating to the  
11 use of public areas or facilities, or other project permits, whether  
12 administrative or quasi-judicial, that the local government by  
13 ordinance or resolution has determined present special circumstances  
14 that warrant a review process different from that provided in RCW  
15 36.70B.060 through 36.70B.090 and 36.70B.110 through 36.70B.130.

16 (2) A local government by ordinance or resolution also may  
17 exclude the following project permits from the provisions of RCW  
18 36.70B.060 and 36.70B.110 through 36.70B.130: Lot line or boundary  
19 adjustments and building and other construction permits, or similar  
20 administrative approvals, categorically exempt from environmental

1 review under chapter 43.21C RCW, or for which environmental review  
2 has been completed in connection with other project permits.

3 (3) A local government must, by ordinance or resolution, exclude  
4 project permits for interior alterations from site plan review,  
5 provided that the interior alterations do not result in the  
6 following:

7 (a) Additional sleeping quarters or bedrooms;

8 (b) Nonconformity with federal emergency management agency  
9 substantial improvement thresholds; or

10 (c) Increase the total square footage or valuation of the  
11 structure thereby requiring upgraded fire access or fire suppression  
12 systems.

13 (4) For purposes of this section, "interior alterations" include  
14 construction activities that do not modify the existing site layout  
15 or its current use, and involve no exterior work adding to the  
16 building footprint.

17 NEW SECTION. Sec. 2. A new section is added to chapter 36.70B  
18 RCW to read as follows:

19 (1) Subject to the availability of funds appropriated for this  
20 specific purpose, the department of commerce must establish a  
21 consolidated permit review grant program. The department may award  
22 grants to any local government that provides, by ordinance,  
23 resolution, or other action, a commitment to the following building  
24 permit review consolidation requirements:

25 (a) Issuing final decisions for residential permit applications  
26 within 45 business days or 90 calendar days.

27 (i) To achieve permit review within the stated time frame, a  
28 local government must provide consolidated review for building permit  
29 applications. This may include an initial technical peer review of  
30 the application for conformity with the requirements of RCW  
31 36.70B.070 by all departments, divisions, and sections of the local  
32 government with jurisdiction over the project.

33 (ii) A local government may contract with a third-party business  
34 to conduct the consolidated permit review or as additional inspection  
35 staff. Any funds expended for such a contract may be eligible for  
36 reimbursement under this act;

37 (b) Establishing an application fee structure that would allow  
38 the jurisdiction to continue providing consolidated permit review  
39 within the 45 business day or 90 calendar day time frame.

1 (i) A local government may consult with local building  
2 associations to develop a reasonable fee system.

3 (ii) A local government must determine, no later than August 1,  
4 2023, the specific fee structure needed to provide permit review  
5 within the timeline specified in this subsection (1)(b).

6 (2) A jurisdiction that is awarded a grant under this section  
7 must provide a quarterly report to the department of commerce. The  
8 report must include the average and maximum time for permit review  
9 during the jurisdiction's participation in the grant program.

10 (3) If a jurisdiction is unable to successfully meet the terms  
11 and conditions of the grant, the jurisdiction must enter a 90 day  
12 probationary period. If the jurisdiction is not able to meet the  
13 requirements of this section by the end of the probationary period,  
14 the jurisdiction is no longer eligible to receive grants under this  
15 section.

16 (4) For the purposes of this section, "residential permit" means  
17 a permit issued by a city or county that satisfies the conditions of  
18 RCW 19.27.015(5) and is within the scope of the international  
19 residential code, as adopted in accordance with chapter 19.27 RCW.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70B  
21 RCW to read as follows:

22 Subject to the availability of funds appropriated for this  
23 specific purpose, the department of commerce must establish a grant  
24 program for local governments to update their permit review process  
25 from paper filing systems to software systems capable of processing  
26 digital permit applications, virtual inspections, electronic review,  
27 and capacity for video storage.

28 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70B  
29 RCW to read as follows:

30 (1) Subject to the availability of amounts appropriated for this  
31 specific purpose, the department of commerce must convene a digital  
32 permitting process work group to examine potential license and  
33 permitting software for local governments to encourage streamlined  
34 and efficient permit review.

35 (2) The department of commerce, in consultation with the  
36 association of Washington cities and Washington state association of  
37 counties, shall appoint members to the work group representing groups  
38 including but not limited to:

1           (a) Cities and counties;  
2           (b) Building industries; and  
3           (c) Building officials.  
4           (3) The department of commerce must convene the first meeting of  
5 the work group by August 1, 2022. The department must submit a final  
6 report to the governor and the appropriate committees of the  
7 legislature by August 1, 2023. The final report must:  
8           (a) Evaluate the existing need for digital permitting systems;  
9           (b) Review barriers preventing local jurisdictions from accessing  
10 or adopting digital permitting systems;  
11           (c) Evaluate the benefits and costs associated with a statewide  
12 permitting software system; and  
13           (d) Provide budgetary, administrative policy, and legislative  
14 recommendations to increase the adoption of or establish a statewide  
15 system of digital permit review.

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