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**SUBSTITUTE HOUSE BILL 1449**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** House Local Government (originally sponsored by Representatives Alvarado, Hutchins, Fitzgibbon, Simmons, Christian, Low, Reed, Gregerson, Macri, and Bateman)

READ FIRST TIME 02/07/23.

1 AN ACT Relating to amending reporting requirements for the  
2 project permit application processing timeline; and amending RCW  
3 36.70B.020, 36.70B.080, and 36.70A.500.

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

5 **Sec. 1.** RCW 36.70B.020 and 1995 c 347 s 402 are each amended to  
6 read as follows:

7 Unless the context clearly requires otherwise, the definitions in  
8 this section apply throughout this chapter.

9 (1) "Closed record appeal" means an administrative appeal on the  
10 record to a local government body or officer, including the  
11 legislative body, following an open record hearing on a project  
12 permit application when the appeal is on the record with no or  
13 limited new evidence or information allowed to be submitted and only  
14 appeal argument allowed.

15 (2) "Local government" means a county, city, or town.

16 (3) "Open record hearing" means a hearing, conducted by a single  
17 hearing body or officer authorized by the local government to conduct  
18 such hearings, that creates the local government's record through  
19 testimony and submission of evidence and information, under  
20 procedures prescribed by the local government by ordinance or  
21 resolution. An open record hearing may be held prior to a local

1 government's decision on a project permit to be known as an "open  
2 record predecision hearing." An open record hearing may be held on an  
3 appeal, to be known as an "open record appeal hearing," if no open  
4 record predecision hearing has been held on the project permit.

5 (4) "Project permit" or "project permit application" means any  
6 land use or environmental permit (~~or license~~) required from a local  
7 government for a project action, including but not limited to  
8 (~~building permits,~~) subdivisions, binding site plans, planned unit  
9 developments, conditional uses, shoreline substantial development  
10 permits, site plan review, permits or approvals required by critical  
11 area ordinances, site-specific rezones authorized by a comprehensive  
12 plan or subarea plan, but excluding the adoption or amendment of a  
13 comprehensive plan, subarea plan, or development regulations except  
14 as otherwise specifically included in this subsection.

15 (5) "Public meeting" means an informal meeting, hearing,  
16 workshop, or other public gathering of people to obtain comments from  
17 the public or other agencies on a proposed project permit prior to  
18 the local government's decision. A public meeting may include, but is  
19 not limited to, a design review or architectural control board  
20 meeting, a special review district or community council meeting, or a  
21 scoping meeting on a draft environmental impact statement. A public  
22 meeting does not include an open record hearing. The proceedings at a  
23 public meeting may be recorded and a report or recommendation may be  
24 included in the local government's project permit application file.

25 **Sec. 2.** RCW 36.70B.080 and 2004 c 191 s 2 are each amended to  
26 read as follows:

27 (1) Development regulations adopted pursuant to RCW 36.70A.040  
28 must establish and implement time periods for local government  
29 actions for each type of project permit application and provide  
30 timely and predictable procedures to determine whether a completed  
31 project permit application meets the requirements of those  
32 development regulations. The time periods for local government  
33 actions for each type of complete project permit application or  
34 project type should not exceed one hundred twenty days, unless the  
35 local government makes written findings that a specified amount of  
36 additional time is needed to process specific complete project permit  
37 applications or project types.

38 The development regulations must, for each type of permit  
39 application, specify the contents of a completed project permit

1 application necessary for the complete compliance with the time  
2 periods and procedures.

3 (2) (a) Counties subject to the requirements of RCW 36.70A.215 and  
4 the cities within those counties that have populations of at least  
5 (~~twenty thousand~~) 20,000 must, for each type of permit application,  
6 identify the total number of project permit applications for which  
7 decisions are issued according to the provisions of this chapter. For  
8 each type of project permit application identified, these counties  
9 and cities must establish and implement a deadline for issuing a  
10 notice of final decision as required by subsection (1) of this  
11 section and minimum requirements for applications to be deemed  
12 complete under RCW 36.70B.070 as required by subsection (1) of this  
13 section.

14 (b) Counties and cities subject to the requirements of this  
15 subsection also must prepare an annual performance report(~~s~~) that  
16 (~~include, at a minimum, the following information for each type of~~  
17 ~~project permit application identified in accordance with the~~  
18 ~~requirements of (a) of this subsection:~~

19 ~~(i) Total number of complete applications received during the~~  
20 ~~year;~~

21 ~~(ii) Number of complete applications received during the year for~~  
22 ~~which a notice of final decision was issued before the deadline~~  
23 ~~established under this subsection;~~

24 ~~(iii) Number of applications received during the year for which a~~  
25 ~~notice of final decision was issued after the deadline established~~  
26 ~~under this subsection;~~

27 ~~(iv) Number of applications received during the year for which an~~  
28 ~~extension of time was mutually agreed upon by the applicant and the~~  
29 ~~county or city;~~

30 ~~(v) Variance of actual performance, excluding applications for~~  
31 ~~which mutually agreed time extensions have occurred, to the deadline~~  
32 ~~established under this subsection during the year; and~~

33 ~~(vi) The mean processing time and the number standard deviation~~  
34 ~~from the mean.~~

35 ~~(c) Counties and cities subject to the requirements of this~~  
36 ~~subsection must:~~

37 ~~(i) Provide notice of and access to the annual performance~~  
38 ~~reports through the county's or city's website; and~~

39 ~~(ii) Post electronic facsimiles of the annual performance reports~~  
40 ~~through the county's or city's website. Postings on a county's or~~

1 ~~city's website indicating that the reports are available by~~  
2 ~~contacting the appropriate county or city department or official do~~  
3 ~~not comply with the requirements of this subsection.~~

4 ~~If a county or city subject to the requirements of this~~  
5 ~~subsection does not maintain a website, notice of the reports must be~~  
6 ~~given by reasonable methods, including but not limited to those~~  
7 ~~methods specified in RCW 36.70B.110(4))~~ includes information  
8 outlining time frames for certain permit types associated with  
9 housing. The report does not need to include the total time for a  
10 project to receive final decision approval from a city or county. The  
11 report must provide:

12 (i) Permit time frames for each permit process in the county or  
13 city in relation to those established under this section, including  
14 whether the county or city has established shorter time frames than  
15 those provided for in this section;

16 (ii) The total number of decisions issued during the year for the  
17 following permit types: Preliminary subdivisions, final subdivisions,  
18 binding site plans, permit processes associated with the approval of  
19 multifamily housing, and construction plan review for each of these  
20 permit types when submitted separately;

21 (iii) The total number of decisions for each permit type which  
22 included consolidated project permit review, such as concurrent  
23 review of a rezone or construction plans;

24 (iv) For each project permit application received during the  
25 year, the total number of days from the county or city's receipt of  
26 the application to the issuance of the final decision on the  
27 application. This shall be calculated from the day completeness is  
28 determined under RCW 36.70B.070 to the date a decision is issued on  
29 the application. The number of days shall be calculated by counting  
30 five days per week, excluding holidays;

31 (v) For each project permit application received during the year,  
32 the total number of days the application was in review with the  
33 county or city. This shall be calculated from the day the project  
34 permit application is deemed complete under RCW 36.70B.070 to the  
35 date that the final decision is issued on the application. The number  
36 of days shall be calculated by counting five days per week, excluding  
37 holidays and any period between when the county or city has notified  
38 the applicant, in writing, that additional information is required to  
39 further process the application and when that information is  
40 submitted by the applicant. Time periods in which review of the

1 application was temporarily suspended at the written request of the  
2 applicant shall also be excluded; and

3 (vi) For each project permit application received during the  
4 year, the total number of days that were excluded from the  
5 calculation in (b)(v) of this subsection because the county or city  
6 had notified the applicant that additional information was required  
7 and the applicant had yet to provide the necessary information.

8 (c) Counties and cities subject to the requirements of this  
9 subsection must:

10 (i) Post the annual performance report through the county or  
11 city's website; and

12 (ii) Submit the annual performance report to the department of  
13 commerce by March 1st each year.

14 (d) No later than July 1st each year, the department of commerce  
15 must publish a report which includes the annual performance report  
16 data for each county and city subject to the requirements of this  
17 subsection and a list of those counties and cities whose time frames  
18 are shorter than those provided for in this section. The department  
19 of commerce shall develop a template for counties and cities subject  
20 to these requirements to utilize for reporting data. The annual  
21 report must also include key metrics and findings from the  
22 information collected.

23 (e)(i) The initial annual report required under this subsection  
24 (2) must be submitted to the department of commerce by March 1, 2025,  
25 and must include information from permitting in 2024.

26 (ii) A county or city subject to the requirement of this  
27 subsection (2) that does not submit an annual performance report to  
28 the department of commerce by March 1st is ineligible to receive  
29 grants from the growth management planning and environmental review  
30 fund under RCW 36.70A.500 unless the county or city has certified to  
31 the department, and the department has confirmed, that the county or  
32 city is in compliance with the reporting requirements.

33 (3) Nothing in this section prohibits a county or city from  
34 extending a deadline for issuing a decision for a specific project  
35 permit application for any reasonable period of time mutually agreed  
36 upon by the applicant and the local government.

37 ~~((4) The department of community, trade, and economic~~  
38 ~~development shall work with the counties and cities to review the~~  
39 ~~potential implementation costs of the requirements of subsection (2)~~  
40 ~~of this section. The department, in cooperation with the local~~

1 ~~governments, shall prepare a report summarizing the projected costs,~~  
2 ~~together with recommendations for state funding assistance for~~  
3 ~~implementation costs, and provide the report to the governor and~~  
4 ~~appropriate committees of the senate and house of representatives by~~  
5 ~~January 1, 2005.)~~)

6 **Sec. 3.** RCW 36.70A.500 and 2012 1st sp.s. c 1 s 310 are each  
7 amended to read as follows:

8 (1) The department of commerce shall provide management services  
9 for the growth management planning and environmental review fund  
10 created by RCW 36.70A.490. The department shall establish procedures  
11 for fund management. The department shall encourage participation in  
12 the grant or loan program by other public agencies. The department  
13 shall develop the grant or loan criteria, monitor the grant or loan  
14 program, and select grant or loan recipients in consultation with  
15 state agencies participating in the grant or loan program through the  
16 provision of grant or loan funds or technical assistance.

17 (2) A grant or loan may be awarded to a county or city that is  
18 required to or has chosen to plan under RCW 36.70A.040 and that is  
19 qualified pursuant to this section. The grant or loan shall be  
20 provided to assist a county or city in paying for the cost of  
21 preparing an environmental analysis under chapter 43.21C RCW, that is  
22 integrated with a comprehensive plan, subarea plan, plan element,  
23 countywide planning policy, development regulation, monitoring  
24 program, or other planning activity adopted under or implementing  
25 this chapter that:

26 (a) Improves the process for project permit review while  
27 maintaining environmental quality; or

28 (b) Encourages use of plans and information developed for  
29 purposes of complying with this chapter to satisfy requirements of  
30 other state programs.

31 (3) In order to qualify for a grant or loan, a county or city  
32 shall:

33 (a) Demonstrate that it will prepare an environmental analysis  
34 pursuant to chapter 43.21C RCW and subsection (2) of this section  
35 that is integrated with a comprehensive plan, subarea plan, plan  
36 element, countywide planning policy, development regulations,  
37 monitoring program, or other planning activity adopted under or  
38 implementing this chapter;

1 (b) Address environmental impacts and consequences, alternatives,  
2 and mitigation measures in sufficient detail to allow the analysis to  
3 be adopted in whole or in part by applicants for development permits  
4 within the geographic area analyzed in the plan;

5 (c) Demonstrate that procedures for review of development permit  
6 applications will be based on the integrated plans and environmental  
7 analysis;

8 (d) Include mechanisms to monitor the consequences of growth as  
9 it occurs in the plan area and to use the resulting data to update  
10 the plan, policy, or implementing mechanisms and associated  
11 environmental analysis;

12 (e) Demonstrate substantial progress towards compliance with the  
13 requirements of this chapter. A county or city that is more than six  
14 months out of compliance with a requirement of this chapter is deemed  
15 not to be making substantial progress towards compliance; and

16 (f) Provide local funding, which may include financial  
17 participation by the private sector.

18 (4) In awarding grants or loans, the department shall give  
19 preference to proposals that include one or more of the following  
20 elements:

21 (a) Financial participation by the private sector, or a public/  
22 private partnering approach;

23 (b) Identification and monitoring of system capacities for  
24 elements of the built environment, and to the extent appropriate, of  
25 the natural environment;

26 (c) Coordination with state, federal, and tribal governments in  
27 project review;

28 (d) Furtherance of important state objectives related to economic  
29 development, protection of areas of statewide significance, and  
30 siting of essential public facilities;

31 (e) Programs to improve the efficiency and effectiveness of the  
32 permitting process by greater reliance on integrated plans and  
33 prospective environmental analysis;

34 (f) Programs for effective citizen and neighborhood involvement  
35 that contribute to greater likelihood that planning decisions can be  
36 implemented with community support;

37 (g) Programs to identify environmental impacts and establish  
38 mitigation measures that provide effective means to satisfy  
39 concurrency requirements and establish project consistency with the  
40 plans; or

1 (h) Environmental review that addresses the impacts of increased  
2 density or intensity of comprehensive plans, subarea plans, or  
3 receiving areas designated by a city or town under the regional  
4 transfer of development rights program in chapter 43.362 RCW.

5 (5) If the local funding includes funding provided by other state  
6 functional planning programs, including open space planning and  
7 watershed or basin planning, the functional plan shall be integrated  
8 into and be consistent with the comprehensive plan.

9 (6) State agencies shall work with grant or loan recipients to  
10 facilitate state and local project review processes that will  
11 implement the projects receiving grants or loans under this section.

12 (7) The department may not award a grant from the growth  
13 management planning and environmental review fund to a county or city  
14 unless the county or city has certified to the department, and the  
15 department has confirmed, that the county or city is in compliance  
16 with the reporting requirements in RCW 36.70B.080(2) or that the city  
17 or county is not subject to the reporting requirements in RCW  
18 36.70B.080(2).

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