H-3901.3	1	

SUBSTITUTE HOUSE BILL 2201

State of Washington 62nd Legislature 2012 Regular Session

By House Local Government (originally sponsored by Representatives Fitzgibbon, Springer, and Upthegrove)

READ FIRST TIME 01/27/12.

- 1 AN ACT Relating to the use and governance of hearing examiners;
- 2 amending RCW 36.70B.060, 35.63.130, 35A.63.170, 36.70.970, and
- 3 58.17.330; adding a new section to chapter 36.70B RCW; and creating a
- 4 new section.

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- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. The legislature recognizes that cities are the engines of our state's economic growth and that the prospects for the state's economic recovery will be enhanced by removing delay and uncertainty in the development permit review process.
 - The legislature affirms the growth management act direction in RCW 36.70A.210(1) that cities are to be the primary providers of urban governmental services within urban growth areas and that applications for development permits in urban growth areas are to be processed in a timely, fair, and predictable manner consistent with RCW 36.70A.020(7).
 - The legislature intends that certain cities in high growth counties consider assigning certain quasi-judicial permit applications and appeals of administrative decisions to professional hearing examiners.
- 18 The legislature finds that qualified and independent hearing examiners
- 19 provide for a more timely, fair, and predictable permit process and

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finds that increased use of hearing examiners as quasi-judicial and appellate decision makers will decrease a city's financial risk and increase the ability of its council to keep local comprehensive plans and development regulations up-to-date. The legislature also concludes that the effectiveness of the hearing examiner system should be strengthened by statutory amendments to enhance public faith in the accessibility, transparency, objectivity, and professionalism of the system.

- Sec. 2. RCW 36.70B.060 and 1995 c 347 s 407 are each amended to read as follows:
- (1) Not later than March 31, 1996, each local government planning under RCW 36.70A.040 shall establish by ordinance or resolution an integrated and consolidated project permit process that may be included in its development regulations. In addition to the elements required by RCW 36.70B.050, the process shall include the following elements:
- $((\frac{1}{1}))$ (a) A determination of completeness to the applicant as required by RCW 36.70B.070;
- $((\frac{(2)}{(2)}))$ (b) A notice of application to the public and agencies with 19 jurisdiction as required by RCW 36.70B.110;
 - (((3))) <u>(c)</u> Except as provided in RCW 36.70B.140, an optional consolidated project permit review process as provided in RCW 36.70B.120. The review process shall provide for no more than one consolidated open record hearing and one closed record appeal. If an open record predecision hearing is provided prior to the decision on a project permit, the process shall not allow a subsequent open record appeal hearing;
 - ((4))) <u>(d)</u> Provision allowing for any public meeting or required open record hearing to be combined with any public meeting or open record hearing that may be held on the project by another local, state, regional, federal, or other agency, in accordance with provisions of RCW ((36.70B.090 and)) 36.70B.110;
 - (((5))) <u>(e)</u> A single report stating all the decisions made as of the date of the report on all project permits included in the consolidated permit process that do not require an open record predecision hearing and any recommendations on project permits that do not require an open record predecision hearing. The report shall state any mitigation required or proposed under the development regulations

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or the agency's authority under RCW 43.21C.060. The report may be the local permit. If a threshold determination other than a determination of significance has not been issued previously by the local government, the report shall include or append this determination;

(((6))) <u>(f)</u> Except for the appeal of a determination of significance as provided in RCW 43.21C.075, if a local government elects to provide an appeal of its threshold determinations or project permit decisions, the local government shall provide for no more than one consolidated open record hearing on such appeal. The local government need not provide for any further appeal and may provide an appeal for some but not all project permit decisions. If an appeal is provided after the open record hearing, it shall be a closed record appeal before a single decision-making body or officer;

 $((\frac{7}{}))$ (g) A notice of decision as required by RCW 36.70B.130 and issued within the time period provided in RCW 36.70B.080 (($\frac{1}{2}$ and $\frac{1}{2}$ 36.70B.090));

 $((\frac{(8)}{8}))$ (h) Completion of project review by the local government, including environmental review and public review and any appeals to the local government, within any applicable time periods ((under RCW $\frac{36.70B.090}{1})$); and

((+9))) <u>(i)</u> Any other provisions not inconsistent with the requirements of this chapter or chapter 43.21C RCW.

(2)(a) Except as provided in (c) of this subsection, not later than April 30, 2013, each city with ten thousand or more residents that is located within a county subject to RCW 36.70A.215 shall adopt an ordinance requiring all project permits, administrative appeals of project permit decisions, and environmental appeals that require an open record hearing to be decided by a hearing examiner authorized by RCW 35.63.130, 35A.63.170, 36.70.970, or 58.17.330. The requirements of this subsection (2)(a) do not apply to project permits excluded from review under RCW 36.70B.140.

(b) A city that adopts the ordinance required by (a) of this subsection:

(i) May require the applicant for a project permit, or the appellant of a project permit decision who is not an applicant, to reimburse the city for the costs of using the hearing examiner, including hearing examiner time, associated administrative and staff

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costs, and required notice costs. Failure by an appellant to pay fees, costs, or reimbursements authorized by this subsection must result in a default judgment against the appeal; and

- (ii) May provide that an appeal of an administrative decision heard and decided by a hearing examiner apply the clearly erroneous standard of review.
- 7 (c) After March 31, 2013, a city otherwise subject to the
 8 requirements of (a) of this subsection may choose to exempt itself from
 9 those requirements through the adoption of an applicable motion,
 10 resolution, or ordinance. A decision to exempt itself from the
 11 requirements of (a) of this subsection may be taken at a city's sole
 12 discretion and does not constitute a cause for action, appeal, or
 13 petition for review.
- NEW SECTION. Sec. 3. A new section is added to chapter 36.70B RCW to read as follows:
 - (1) An ordinance establishing a hearing examiner system shall specify the qualifications for hearing examiners and the terms and conditions under which they shall serve. A hearing examiner must have the necessary training and experience to qualify them to conduct hearings and make decisions and recommendations for the matters assigned to the hearing examiner.
 - (2) A hearing examiner must be impartial and independent from the officials and departments who provide recommendations or whose decisions may be appealed to the hearing examiner. If a hearing examiner is a local government employee, he or she must be in a different department from the officials and departments who provide them with recommendations or from whom they hear appeals. If a hearing examiner contracts with a local government, the contract must assure independence and impartiality. The hearing examiner shall be paid for sufficient time to make an informed, accurate, and comprehensive decision.
 - (3) A hearing examiner shall avoid conflicts of interest and ex parte communications, and shall adhere to the appearance of fairness doctrine as provided by law and local ordinance.
- 35 (4) The ordinance establishing a hearing examiner system shall 36 authorize the hearing examiner to recuse himself or herself in any

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1 matter and establish a process to appoint or assign another hearing 2 examiner to handle the matter.

(5) The ordinance establishing a hearing examiner system shall establish rules of practice and procedure before the examiner and require that the rules be posted on the city's official web site.

- **Sec. 4.** RCW 35.63.130 and 1995 c 347 s 423 are each amended to 7 read as follows:
 - (1) As an alternative to those provisions of this chapter relating to powers or duties of the planning commission to hear and report on any proposal to amend a zoning ordinance, the legislative body of a city or county may, in accordance with section 3 of this act, adopt a hearing examiner system under which a hearing examiner or hearing examiners may hear and decide applications for amending the zoning ordinance when the amendment which is applied for is not of general applicability. In addition, the legislative body may vest in a hearing examiner the power to hear and decide those issues it believes should be reviewed and decided by a hearing examiner, including but not limited to:
 - (a) Applications for conditional uses, variances, subdivisions, shoreline permits, or any other class of applications for or pertaining to development of land or land use;
 - (b) Appeals of administrative decisions or determinations; and
 - (c) Appeals of administrative decisions or determinations pursuant to chapter 43.21C RCW.

The legislative body shall prescribe procedures to be followed by the hearing examiner.

- (2) Each city or county legislative body electing to use a hearing examiner pursuant to this section shall by ordinance specify the legal effect of the decisions made by the examiner. The legal effect of such decisions may vary for the different classes of applications decided by the examiner but shall include one of the following:
- 32 (a) The decision may be given the effect of a recommendation to the legislative body;
- 34 (b) The decision may be given the effect of an administrative 35 decision appealable within a specified time limit to the legislative 36 body; or

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1 (c) Except in the case of a rezone, the decision may be given the effect of a final decision of the legislative body.

- (3)(a) Each final decision of a hearing examiner shall be in writing and shall include findings and conclusions, based on the record, to support the decision. Such findings and conclusions shall also set forth the manner in which the decision would carry out and conform to the city's or county's comprehensive plan and the city's or county's development regulations. Each final decision of a hearing examiner, unless a longer period is mutually agreed to in writing by the applicant and the hearing examiner, shall be rendered within ten working days following conclusion of all testimony and hearings.
- (b) The hearing examiner of a city subject to RCW 36.70B.060(2) may delay issuance of a decision beyond the ten-day period required by this subsection (3) until the city or county has been reimbursed. The delay authorized by this subsection may only occur if the hearing examiner has certified the examiner's costs to the city or county and the city or county has, within the ten-day period, billed the applicant or appellant for those costs. Failure by an appellant to pay fees, costs, or reimbursements authorized by RCW 36.70B.060(2)(b) must result in a default judgment against the appeal.
- **Sec. 5.** RCW 35A.63.170 and 1995 c 347 s 424 are each amended to 22 read as follows:
 - (1) As an alternative to those provisions of this chapter relating to powers or duties of the planning commission to hear and report on any proposal to amend a zoning ordinance, the legislative body of a city may, in accordance with section 3 of this act, adopt a hearing examiner system under which a hearing examiner or hearing examiners may hear and decide applications for amending the zoning ordinance when the amendment which is applied for is not of general applicability. In addition, the legislative body may vest in a hearing examiner the power to hear and decide those issues it believes should be reviewed and decided by a hearing examiner, including but not limited to:
 - (a) Applications for conditional uses, variances, subdivisions, shoreline permits, or any other class of applications for or pertaining to development of land or land use;
 - (b) Appeals of administrative decisions or determinations; and

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1 (c) Appeals of administrative decisions or determinations pursuant 2 to chapter 43.21C RCW.

The legislative body shall prescribe procedures to be followed by a hearing examiner. If the legislative authority vests in a hearing examiner the authority to hear and decide variances, then the provisions of RCW 35A.63.110 shall not apply to the city.

- (2) Each city legislative body electing to use a hearing examiner pursuant to this section shall by ordinance specify the legal effect of the decisions made by the examiner. The legal effect of such decisions may vary for the different classes of applications decided by the examiner but shall include one of the following:
- (a) The decision may be given the effect of a recommendation to the legislative body;
- (b) The decision may be given the effect of an administrative decision appealable within a specified time limit to the legislative body; or
- (c) Except in the case of a rezone, the decision may be given the effect of a final decision of the legislative body.
- (3)(a) Each final decision of a hearing examiner shall be in writing and shall include findings and conclusions, based on the record, to support the decision. Such findings and conclusions shall also set forth the manner in which the decision would carry out and conform to the city's comprehensive plan and the city's development regulations. Each final decision of a hearing examiner, unless a longer period is mutually agreed to in writing by the applicant and the hearing examiner, shall be rendered within ten working days following conclusion of all testimony and hearings.
- (b) The hearing examiner of a city subject to RCW 36.70B.060(2) may delay issuance of a decision beyond the ten-day period required by this subsection (3) until the city has been reimbursed. The delay authorized by this subsection may only occur if the hearing examiner has certified the examiner's costs to the city and the city has, within the ten-day period, billed the applicant or appellant for those costs. Failure by an appellant to pay fees, costs, or reimbursements authorized by RCW 36.70B.060(2)(b) must result in a default judgment against the appeal.

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- 1 **Sec. 6.** RCW 36.70.970 and 1995 c 347 s 425 are each amended to read as follows:
- (1) As an alternative to those provisions of this chapter relating 3 to powers or duties of the planning commission to hear and issue 4 5 recommendations on applications for plat approval and applications for amendments to the zoning ordinance, the county legislative authority 6 7 may, in accordance with section 3 of this act, adopt a hearing examiner system under which a hearing examiner or hearing examiners may hear and 8 issue decisions on proposals for plat approval and for amendments to 9 10 the zoning ordinance when the amendment which is applied for is not of general applicability. In addition, the legislative authority may vest 11 12 in a hearing examiner the power to hear and decide those issues it 13 believes should be reviewed and decided by a hearing examiner, 14 including but not limited to:
- 15 (a) Applications for conditional uses, variances, shoreline 16 permits, or any other class of applications for or pertaining to 17 development of land or land use;
 - (b) Appeals of administrative decisions or determinations; and
- 19 (c) Appeals of administrative decisions or determinations pursuant 20 to chapter 43.21C RCW.

21 The legislative authority shall prescribe procedures to be followed 22 by a hearing examiner.

Any county which vests in a hearing examiner the authority to hear and decide conditional uses and variances shall not be required to have a zoning adjuster or board of adjustment.

- (2) Each county legislative authority electing to use a hearing examiner pursuant to this section shall by ordinance specify the legal effect of the decisions made by the examiner. Such legal effect may vary for the different classes of applications decided by the examiner but shall include one of the following:
- 31 (a) The decision may be given the effect of a recommendation to the legislative authority;
- 33 (b) The decision may be given the effect of an administrative 34 decision appealable within a specified time limit to the legislative 35 authority; or
- 36 (c) Except in the case of a rezone, the decision may be given the 37 effect of a final decision of the legislative authority.

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(3)(a) Each final decision of a hearing examiner shall be in writing and shall include findings and conclusions, based on the record, to support the decision. Such findings and conclusions shall also set forth the manner in which the decision would carry out and conform to the county's comprehensive plan and the county's development regulations. Each final decision of a hearing examiner, unless a longer period is mutually agreed to in writing by the applicant and the hearing examiner, shall be rendered within ten working days following conclusion of all testimony and hearings.

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- (b) The hearing examiner of a city subject to RCW 36.70B.060(2) may 10 11 delay issuance of a decision beyond the ten-day period required by this subsection (3) until the county has been reimbursed. The delay 12 13 authorized by this subsection may only occur if the hearing examiner has certified the examiner's costs to the county and the county has, 14 within the ten-day period, billed the applicant or appellant for those 15 costs. Failure by an appellant to pay fees, costs, or reimbursements 16 authorized by RCW 36.70B.060(2)(b) must result in a default judgment 17 against the appeal. 18
- 19 **Sec. 7.** RCW 58.17.330 and 1995 c 347 s 429 are each amended to 20 read as follows:
 - (1) As an alternative to those provisions of this chapter requiring a planning commission to hear and issue recommendations for plat approval, the county or city legislative body may, in accordance with section 3 of this act, adopt a hearing examiner system and shall specify by ordinance the legal effect of the decisions made by the examiner. The legal effect of such decisions shall include one of the following:
- 28 (a) The decision may be given the effect of a recommendation to the legislative body;
- 30 (b) The decision may be given the effect of an administrative 31 decision appealable within a specified time limit to the legislative 32 body; or
- 33 (c) The decision may be given the effect of a final decision of the legislative body.
- The legislative authority shall prescribe procedures to be followed by a hearing examiner.

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(2)(a) Each final decision of a hearing examiner shall be in writing and shall include findings and conclusions, based on the record, to support the decision. Each final decision of a hearing examiner, unless a longer period is mutually agreed to by the applicant and the hearing examiner, shall be rendered within ten working days following conclusion of all testimony and hearings.

(b) The hearing examiner of a city subject to RCW 36.70B.060(2) may delay issuance of a decision beyond the ten-day period required by this subsection (2) until the city or county has been reimbursed. The delay authorized by this subsection may only occur if the hearing examiner has certified the examiner's costs to the city or county and the city or county has, within the ten-day period, billed the applicant or appellant for those costs. Failure by an appellant to pay fees, costs, or reimbursements authorized by RCW 36.70B.060(2)(b) must result in a default judgment against the appeal.

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