

# HOUSE BILL REPORT

## HB 1893

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### As Reported By House Committee On:

Local Government  
Appropriations

**Title:** An act relating to streamlining state and local permit issuance.

**Brief Description:** Revising provisions regulating permit issuance.

**Sponsors:** Representatives Doumit, Mulliken, Scott, Linville and Hatfield.

### Brief History:

#### Committee Activity:

Local Government: 2/18/99, 3/1/99 [DPS];  
Appropriations: 3/6/99 [DP2S(w/o sub LG)].

#### Brief Summary of Second Substitute Bill

- Reauthorizes the Permit Assistance Center, and requires establishment of regional Center offices.
- Establishes processes and timelines for certain state permits.
- Initiates development and coordination of state and local permit processes.
- Encourages certain state agencies to develop programmatic permits to address impacts under the federal Endangered Species Act and federal Clean Water Act and to include local governments in these processes.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Mulliken, Republican Co-Chair; Scott, Democratic Co-Chair; Doumit, Democratic Vice Chair; Mielke, Republican Vice Chair; Edwards; Ericksen; Fisher and Fortunato.

**Staff:** Caroleen Dineen (786-7156).

**Background:**

A number of state laws allow or require counties and cities to establish land use regulations or control land use activities. State and local governments are both involved in some permitting decisions related to certain development proposals.

***Growth Management Act.***

The Growth Management Act (GMA) specifies numerous planning goals, imposes certain requirements on all jurisdictions and includes specific requirements for counties and cities planning under RCW 36.70A.040 (GMA jurisdictions). Among other requirements, GMA jurisdictions are required to designate urban growth areas and to adopt a comprehensive plan and implementing development regulations. All jurisdictions must designate natural resource lands and designate and protect critical areas, regardless of whether they plan under the GMA.

***Local Project Review***

Counties and cities specifically may provide for administrative review of preliminary plats without a public hearing if statutory procedural notice and comment periods are satisfied and if the local government allows a public hearing upon request.

The State Environmental Policy Act (SEPA) requires local governments and state agencies to prepare an environmental impact statement (EIS) if proposed legislation or other major action may have a probable significant, adverse impact on the environment. The determination whether an EIS must be prepared involves a threshold determination and use of an environmental checklist.

The Shoreline Management Act (SMA) requires counties and cities to adopt and enforce local shoreline master programs regulating land use activities in shoreline areas of the state. A local master program is submitted to the Department of Ecology for its review and approval.

For GMA jurisdictions, GMA comprehensive plans and development regulations determine land uses, level of development, and availability and adequacy of public facilities. Legislation enacted in 1995 required counties and cities to adopt procedures combining environmental review with project review and to provide for no more than one open record hearing and one closed record appeal. This legislation also established a process for court appeals of land use decisions.

GMA jurisdictions are required to establish an integrated and consolidated development permit process for all projects involving two or more permits that may be utilized by request. The process must include a determination of the completeness of the application within 28 days of submission and a single report combining the threshold determination

under SEPA with the decision on all development permits and any required mitigation. Until June 30, 2000, GMA jurisdictions must issue a final permit decision within 120 days after the applicant has been notified the application is complete. The 120-day period does not include:

- any period during which the applicant is requested to correct plans, perform required studies, or provide additional information;
- the period during which an EIS is prepared;
- any period for administrative appeals of permits; and
- any mutually agreed time extension.

### ***Permit Assistance Center***

The Permit Assistance Center (PAC) was created in 1995 and is located at the Department of Ecology's (DOE's) office in Lacey. The PAC is required to provide public information regarding permitting laws and to provide a coordinated state permitting procedure that applicants may use at their option and expense. The PAC is authorized to recover costs for the coordinated permit process.

The PAC is also required to submit an annual report to the Legislature on potential conflicts and perceived inconsistencies among existing permitting statutes.

The PAC provisions expire on June 30, 1999.

### ***State Permits***

#### ***Department of Ecology***

The federal Clean Water Act (CWA) regulates the discharge of pollutants into United States waters and requires a National Pollutant Discharge Elimination System (NPDES) permit for pollutant discharges. States with federally approved programs may administer the NPDES program on the state level. The DOE administers the NPDES program in Washington.

State water pollution statutes give DOE authority to control and prevent pollution within the waters of the state. DOE has authority to approve plans for construction of sewage treatment and disposal systems, to issue pollution control discharge permits and to delegate certain permit authority to local governments. DOE is required to approve or deny discharge permit applications from upland finfish hatching and rearing facilities and marine finfish rearing facilities within 180 days from the date of application with certain exceptions. If DOE fails to issue a decision on certain state water quality permits within sixty days of application, a temporary permit is deemed to have issued until DOE takes action on the application.

## *Department of Fish and Wildlife*

The Department of Fish and Wildlife (DFW) has authority to issue hydraulic permits for construction projects in state waters. With certain exceptions, DFW is required by statute to issue decisions for hydraulic permit applications within 45 days after receiving a complete application and notice of compliance with any applicable SEPA requirements.

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### **Summary of Substitute Bill:**

#### *Growth Management Act.*

The Growth Management Act (GMA) permit planning goal is amended to clarify state and local government permit agencies should coordinate and process permits in a timely and fair manner to ensure predictability for applicants.

#### *Local Project Review*

Counties, cities and towns adopting consolidated permitting procedures under Chapter 36.70B may conduct administrative review of preliminary plats consistent with the time periods specified in those procedures.

#### *Permit Assistance Center*

The sunset provisions for PAC statutes are repealed. The requirement for the PAC to establish four regional offices is subject to specific appropriation. The PAC is also required to submit a biennial report to the Legislature that:

- includes statutory and other recommendations for streamlining and coordinating environmental permitting;
- summarizes results of the PAC's efforts to measure performance and outcomes;
- summarizes, evaluates and makes recommendations to improve the PAC's and permitting agencies efforts to provide efficient public notice and to promote effective public participation in permit processes;
- details the PAC's and other's efforts to promote public confidence in the permitting process; and
- shows PAC revenues and expenditures.

The PAC is required to work collaboratively with local and state agencies to jointly develop and coordinate an integrated permit process. The PAC must report to the Legislature on this effort by December 1, 1999. State agencies are required to participate in this effort and to review procedures for developing an integrated state appeal procedure. Minimum requirements for the integrated permit process include at

least one preapplication conference, a determination of completeness, coordination and integration of permit processes, integrated review and decision, and coordinated appeals.

The cost reimbursement provisions for the coordinated permit process are amended to authorize cost recovery by permit agencies.

### *State Permits*

The Department of Transportation's (DOT's) efforts to develop programmatic permits with state and federal agencies to address project and maintenance impacts under the federal endangered species act (ESA) and the federal CWA are encouraged. DOE, DFW and the Department of Natural Resources (DNR) are encouraged to develop programmatic permits with state and federal agencies to address impacts under the ESA and CWA. The DOT, DOE, DFW and DNR are directed to work collaboratively with local governments in developing programmatic permits to the extent practicable.

### *Department of Ecology*

A process and timelines are established for DOE to issue permit decisions for state and federal water quality permits.

For all water quality permits, DOE is required to either issue a determination of completeness to the permit applicant or notify the permit applicant of necessary information for a complete application within 28 days after receiving a permit application. The application is deemed complete if Ecology does not issue the written determination within the 28-day period or within 14 days after receiving requested necessary information. An application is considered "complete" if it:

- satisfies Ecology's procedural submission requirements;
- includes a SEPA threshold determination that does not require an EIS;
- satisfies federal procedural and substantive requirements if applicable; and
- is sufficient for continued processing even if additional information subsequently may be required.

For federal water quality permits, DOE is required to issue a notice of final decision within 120 days after issuing a determination of completeness unless federal law requires otherwise. The 60-day timeline for state water quality permits is retained. The specified time periods do not include any period during which DOE:

- has requested plan corrections, studies or additional information;
- has notified an application that submitted information is insufficient;
- provides for administrative appeals; or
- and the applicant agree to an extension of time.

If DOE fails to issue a decision within the specified time period, DOE must provide written notice that the applicant is deemed to have received a temporary permit consistent with the application proposal. Temporary permits are valid for five years and remain in effect until DOE issues a permit or revokes the temporary permit.

DOE is required to track information on permits issued within the specified time periods, permits denied, requests for information, and applications withdrawn.

***Department of Fish and Wildlife***

The DFW is required to develop a pilot project to authorize counties to issue hydraulic permits according to DFW rules. The authorization agreement must contain provisions for effective permit monitoring and enforcement. Except for fish habitat restoration projects, counties may charge fees to cover permit processing costs.

DFW may not delegate rulemaking authority and must report the results of the pilot project by December 31, 2000. The pilot project authority expires June 30, 2001.

**Substitute Bill Compared to Original Bill:** The substitute bill: (1) repeals the PAC sunset provisions; (2) includes the null and void provision related to the requirement for the PAC to establish regional offices; (3) expands the PAC reporting requirements; (4) establishes different processes and timelines for state and federal water quality permits and adds the temporary permit provisions; (5) eliminates provisions requiring DOE to issue decisions on shoreline master programs within specified periods; (6) specifically prohibits DFW from delegating rulemaking authority to counties issuing hydraulic permits under the pilot program; (7) limits county hydraulic permit fees to permit processing costs and exempts fish habitat restoration projects from fees; (8) replaces the PAC pilot integrated permit process provisions with a requirement for the PAC to work collaboratively with state and local governments to jointly develop an integrated permit process; (9) eliminates the requirement for local governments to participate in an integrated permit process; and (10) adds programmatic permit provisions related to the DOT, DOE, DFW and DNR.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** (Proposed substitute) This bill will help to promote more efficiency in state and local government permit processes. Counties consider this bill a step in the

right direction. Delegation of hydraulic permit authority will benefit local governments, the DFW and applicants.

The bill could include parameters for best available science rulemaking and shoreline master program guidelines. The bill could also clarify that counties issuing hydraulic permits may not impose fees for fish habitat restoration projects.

(In support with concerns) (Proposed substitute) The wastewater discharge permit provisions are inconsistent with federal law, and the automatic issuance provision may subject applicants to damages and penalties under federal law. These are very complicated permits that require extensive review, and the DOE has insufficient resources to adequately fund this program. Bad decisions will result if the process is forced.

The integrated permit process should be led by local governments as well as the PAC to ensure commitment to this process. The pilot integrated permit project may create a fiscal impact for agencies required to participate.

Additional permits should be included, such as shoreline conditional use permits and variances and water rights permits. The bill should also address best available science requirements.

The DFW and counties must agree on the delegation terms for hydraulic permit authority and share enforcement authority, and the DFW must retain authority to issue general permits. Delegation of hydraulic permit authority is not the best solution, as these permit applications should be reviewed by fish biologists.

The PAC provisions should include an emergency clause, and the sunset provisions should be repealed.

**Testimony Against:** None.

**Testified:** (In support) Representative Doumit, prime sponsor; Cara Myrick, Washington State Association of Counties; and Sophia Byrd, King County Department of Development and Environment Services.

(In support with concerns): Scott Boettcher, Department of Ecology; Greg Hueckel, Washington Department of Fish and Wildlife; Jodi Walker, Building Industry Association of Washington; and Bruce Wishert, People for Puget Sound.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Local Government. Signed by 31 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Alexander, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Barlean; Benson; Boldt; Carlson; Clements; Cody; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Lambert; Linville; Lisk; Mastin; McIntire; McMorris; Mulliken; Parlette; Regala; Rockefeller; Ruderman; Sullivan; Tokuda and Wensman.

**Staff:** Jeff Olsen (786-7157).

**Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Local Government:** The substitute bill deletes provisions requiring federal water quality permit applicants to receive temporary permits if the Department of Ecology fails to issue these permits within 120 days of notice of complete application. It retains and clarifies requirements for the Department of Ecology to provide written notice to applicants when permits are not issued within 120 days of notice of a complete application. Provisions encouraging state agencies to involve local governments in the development of programmatic approaches and general permits to address impacts under the federal Clean Water Act and Endangered Species Act are clarified. The Permit Assistance Center terminates June 30, 2003. The Permit Assistance Center is required to report on the joint effort to develop an integrated permit process, and it must coordinate the review of joint aquatic resource permit applications for projects on state-owned aquatic lands. If funding for the bill is not provided by June 30, 1999, in the omnibus appropriations act, the bill is null and void.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Second Substitute Bill:** The bill contains an emergency clause and takes effect immediately. However the bill is null and void unless funded in the budget.

**Testimony For:** The local-state integrated permit process and the regional offices would require general fund resources in addition to the amount currently provided in the Governor's proposed budget. The expanded cost-recovery process is a voluntary program that should benefit persons proposing large projects, and it is estimated to bring in approximately \$2 million in the 99-01 biennium. This bill should benefit permit applicants.

**Testimony Against:** None.

**Testified:** Rep. Mark Doumit, prime sponsor; Rep. Joyce Mulliken, sponsor; Scott Boettcher, Department of Ecology; Paul Parker, Washington State Association of Counties; and Steve Gano, Trend West Resorts.