

CERTIFICATION OF ENROLLMENT
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2192

63rd Legislature
2014 Regular Session

Passed by the House February 14, 2014
Yeas 96 Nays 0

Speaker of the House of Representatives

Passed by the Senate March 5, 2014
Yeas 48 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2192** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2192

Passed Legislature - 2014 Regular Session

State of Washington

63rd Legislature

2014 Regular Session

By House Appropriations (originally sponsored by Representatives Smith, Hansen, Haler, Buys, Hayes, Parker, Short, Sequist, Pike, Scott, Zeiger, Hargrove, Manweller, Holy, Magendanz, Vick, and Wilcox)

READ FIRST TIME 02/11/14.

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; adding a new chapter to Title 43
4 RCW; and creating a new section.

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 business
25 permits indicated in the December 30, 2013, performance audit report by
26 the state auditor.

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

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

1 (c) At a minimum, each agency shall track and record the following
2 information for each permit application it receives or decision it
3 issues:

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

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

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

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

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

19 (c) The maximum permit decision time.

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

22 (a) By March 1, 2016, each agency shall report the times calculated
23 under subsection (3) of this section for the period from January 1,
24 2015, to January 1, 2016.

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

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

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

1 NEW SECTION. **Sec. 4.** (1) To provide meaningful customer service
2 that informs project planning and decision making by the citizens and
3 businesses served, each agency must make available to permit applicants
4 the following information through a link from the agency's web site to
5 the office's web site, as provided in subsection (4) of this section:

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

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

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

12 (i) Examples of model completed applications;

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

15 (iii) Checklists for ensuring a complete application.

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

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

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

24 (c) The agency shall post the estimates of application completion
25 and permit decision times required under subsection (1)(b) of this
26 section based on actual data for calendar year 2015 by March 1, 2016,
27 and update this information for the previous calendar year, by March
28 1st of each year thereafter.

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

32 (4) To ensure agencies can post the required information online
33 with minimal expenditure of agency resources, the office of the chief
34 information officer shall, in consultation with the office of
35 regulatory assistance, establish a central repository of this
36 information, hosted on the office of regulatory assistance's web site.
37 Each agency shall include at least one link to the central repository

1 from the agency's web site. Agencies shall place the link or links in
2 such locations as the agency deems will be most customer-friendly and
3 maximize accessibility of the information to users of the web site.

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

9 NEW SECTION. **Sec. 5.** (1) By September 30th of 2016 and each even-
10 numbered year thereafter up to and including 2020, the office shall
11 publish a comprehensive progress report to the economic development
12 committees of the house of representatives and the senate and to the
13 governor on the performance of agencies in tracking permit timelines
14 and other efforts to improve clarity and predictability of regulatory
15 permitting. The report must include at a minimum for each agency a
16 summary of the data reported by the agency to the office under section
17 3(4) of this act.

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

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

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

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

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

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

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

6 (b) Engages stakeholders and customers in establishing service
7 requirements and improving service delivery systems;

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

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

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

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

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

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

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

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

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

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

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

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

37 (7) Each state agency shall integrate efforts made under this
38 section with other management, accountability, and performance systems,

1 including procedures implemented under chapter 43.--- RCW (the new
2 chapter created in section 7 of this act), undertaken under executive
3 order or other authority.

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

6 NEW SECTION. Sec. 8. If specific funding for the purposes of this
7 act, referencing this act by bill or chapter number, is not provided by
8 June 30, 2014, in the omnibus appropriations act, this act is null and
9 void.

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