S-4179.1			

## SENATE BILL 6693

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State of Washington 58th Legislature 2004 Regular Session

By Senator Mulliken

Read first time 01/30/2004. Referred to Committee on Land Use & Planning.

- 1 AN ACT Relating to appeals and reviews of permit decisions under
- 2 chapter 43.21L RCW; amending RCW 43.21L.010, 43.21L.050, 43.21L.060,
- 3 43.21L.070, 43.21L.080, 43.21L.090, 43.21L.100, 43.21L.110, 43.21L.120,
- 4 and 43.21L.130; creating a new section; and repealing RCW 43.21L.040,
- 5 43.21L.140, and 43.21L.901.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 <u>NEW SECTION.</u> **Sec. 1.** The legislature finds that the superior
- 8 courts of Washington state can provide fair and unbiased review of land
- 9 use and other permit decisions reviewed under chapter 43.21L RCW. I
- 10 order to reduce redundant levels of review, the legislature intends
- 11 that all review under this chapter be conducted by the superior courts.
- 12 Sec. 2. RCW 43.21L.010 and 2003 c 393 s 2 are each amended to read
- 13 as follows:
- 14 The definitions in this section apply throughout this chapter
- 15 unless the context clearly requires otherwise.
- 16 (1) (("Board" means the environmental and land use hearings board
- 17 <u>established in this chapter</u>)) <u>"Court" means the superior court of the</u>
- 18 <u>county in which the qualifying project is located</u>.

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(2) "Final decision" means the highest and last decision available within the permit agency with respect to a permit application to the agency, including but not limited to decisions resulting from internal appeals available within the agency for the permit decision.

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- (3) "Participating permit agency" means any permit agency in which the applicant for a qualifying project has filed an application for an environmental or land use permit that is required for the qualifying project.
- (4) "Permit" means any license, permit, certificate, certification, 9 approval, compliance schedule, or other similar document pertaining to 10 any regulatory or management program related to the protection, 11 conservation, use of, or interference with the land, air, or water in 12 13 the state. This document must be required to be obtained from a state 14 agency or local government, including but not limited to counties, cities, and air agencies, prior to constructing or operating a 15 qualifying project. Local government permits include, but are not 16 17 limited to, subdivisions, binding site plans, planned unit developments, shoreline permits or other approvals under RCW 90.58.140, 18 master plan approvals, site plan approvals, permits or approvals 19 required by critical area ordinances, conditional use permits, 20 21 variances, and site-specific rezones authorized by a comprehensive plan 22 or subarea plan or other equivalent documents however titled or denominated. Local government permits excluded under this definition 23 24 include the adoption or amendment of a comprehensive plan, subarea 25 plan, legislative actions on development regulations, certifications by local health districts of water and sewer availability, and building, 26 27 grading, flood hazard, utility connection, and other nondiscretionary construction permits. 28
  - (5) "Permit agency" means any state agency or local government, including but not limited to air agencies, authorized by law to issue permits.
  - (6) "Qualifying project" means an economic development project that is (a) located within a county that in its entirety qualifies as a distressed area as defined in RCW 43.168.020(3) and a rural natural resources impact area as defined in RCW 43.160.020, (b) designed to provide at least thirty full-time year-round jobs, and (c) designated as a qualifying project by the office of permit assistance established

- 1 under chapter 43.42 RCW if a request for a determination of such
- 2 designation is made to the office by the project applicant as provided
- 3 under this chapter.

- **Sec. 3.** RCW 43.21L.050 and 2003 c 393 s 6 are each amended to read 5 as follows:
  - (1) Proceedings for review under this chapter shall be commenced by filing a petition with the ((environmental and land use hearings board. The board may adopt by rule procedures for filing and service that are consistent with this chapter)) superior court of the county in which the qualifying project is located.
  - (2) Such petition is barred, and the ((board)) court may not grant review, unless the petition is timely filed with the ((board)) court and timely served on the following persons who shall be parties to the review of the petition:
  - (a) The participating permit agencies, which for purposes of the petition shall be (i) if a state agency, the director thereof, and (ii) if a local government, the jurisdiction's corporate entity which shall be served as provided in RCW 4.28.080; and
- 19 (b) Each of the following persons if the person is not the 20 petitioner:
  - (i) Each person identified by name and address as applicant in the application to the participating permit agencies;
    - (ii) Each person identified in project application documents as an owner of the property at issue or, if none, each person identified as a taxpayer for the property at issue in the records of the county assessor.
    - (3) The petition is timely if it is filed and served on all parties listed in subsection (2) of this section within twenty-one days of the issuance by the permit agency of the permit for the qualifying project.
  - (4) For the purposes of this section, the date on which a permit decision is issued is:
  - (a) Three days after a written decision is mailed by the permit agency to the project applicant or, if not mailed, the date on which the permit agency provides notice that a written decision is publicly available; or
- 36 (b) If (a) of this subsection does not apply, the date the decision 37 is entered into the public record.

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- 1 (5) Service on all parties shall be by personal service or by mail.
- 2 Service by mail is effective on the date of mailing. Proof of service
- 3 shall be by affidavit or declaration under penalty of perjury.
- 4 Sec. 4. RCW 43.21L.060 and 2003 c 393 s 7 are each amended to read 5 as follows:
- Standing to bring a petition under this chapter is limited to the following persons:
- 8 (1) The applicant and the owner of the property to which the permit 9 decision is directed;
- (2) Another person aggrieved or adversely affected by the permit decision, or who would be aggrieved or adversely affected by a reversal or modification of the permit decision. A person is aggrieved or adversely affected within the meaning of this section only when all of the following conditions are present:
- 15 (a) The permit decision has prejudiced or is likely to prejudice 16 that person;
- 17 (b) That person's asserted interests are among those that the 18 permit agency was required to consider when it made its permit 19 decision;
- 20 (c) A decision of the ((board)) court in favor of that person would 21 substantially eliminate or redress the prejudice to that person caused 22 or likely to be caused by the permit decision; and
- 23 (d) The petitioner has exhausted his or her administrative remedies 24 to the extent required by law;
- 25 (3) A participating permit agency under this chapter.
- 26 **Sec. 5.** RCW 43.21L.070 and 2003 c 393 s 8 are each amended to read 27 as follows:
- 28 A petition must set forth:

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- (1) The name and mailing address of the petitioner;
- 30 (2) The name and mailing address of the petitioner's attorney, if any;
- 32 (3) The name and mailing address of the permit agency whose permit 33 is at issue, if any;
- 34 (4) A duplicate copy of the permit decision;
- 35 (5) Identification of each person to be made a party under this 36 chapter;

1 (6) Facts demonstrating that the petitioner has standing to seek 2 ((board)) court review under this chapter;

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- (7) A separate and concise statement of each error alleged to have been committed;
- (8) A concise statement of facts upon which the petitioner relies to sustain the statement of error; and
- (9) A request for relief, specifying the type and extent of relief requested.
- 9 **Sec. 6.** RCW 43.21L.080 and 2003 c 393 s 9 are each amended to read 10 as follows:
  - (1) Within seven days after receipt of service of the petition filed pursuant to RCW 43.21L.050, the project applicant shall file with the ((board)) court and serve on all parties an affidavit certifying all applications for permits that the project applicant has filed with participating permit agencies for the qualifying project, provided, however, that no permit may be included that has been issued and appealed to an administrative hearings board or to court prior to the date of service of the petition filed with the ((board)) court under this chapter. The ((board)) court shall request verification from the participating agencies of the permit applications certified in the project applicant's affidavit and of the expected date for final decision on the permit applications. Filing of the affidavit shall toll the schedule for hearing by the ((board)) court until twenty-one days after issuance of the final permit decision on the last permit required for the qualifying project that has been certified in the project applicant's affidavit and verified by a participating agency as applied for, unless the petition filed and served by the petitioner relates to the final permit decision.
  - (2) Within seven days after the expiration of the appeal period for the final permit decision on the last permit required for the qualifying project, the petitioner shall note an initial hearing on jurisdictional and other preliminary matters, and, if applicable, on other pretrial matters. This initial hearing shall be set no sooner than thirty-five days and not later than fifty days after the expiration of the appeal period for the final permit decision on the last permit required for the qualifying project.

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(3) If petitions for review of more than one permit issued by participating permit agencies for a qualifying project are filed with the ((board)) court, the ((board)) court shall contemporaneously process all such petitions in accordance with the case schedule requirements set forth in chapter 393, Laws of 2003.

- (4) The parties shall note all motions on jurisdictional and procedural issues for resolution at the initial hearing, except that a motion to allow discovery may be brought sooner.
- (5) The defenses of lack of standing, untimely filing or service of the petition, lack of good faith or improper purpose in filing, and failure to join persons needed for just adjudication are waived if not raised by timely motion noted to be heard at the initial hearing, unless the ((board)) court allows discovery on such issues.
- (6) The petitioner shall move the ((board)) court for an order at the initial hearing that sets the date on which the permit decision record or records of the applicable permit agency or agencies, if any, must be submitted, sets a briefing schedule, sets a discovery schedule if discovery is to be allowed, and schedules a hearing or hearings on the merits.
- (7) The parties may waive the initial hearing by scheduling with the  $((\frac{board}{}))$  court a date for the hearing or hearings on the merits and filing a stipulated order that resolves the jurisdictional and procedural issues raised by the petition, including the issues identified in subsections (5) and (6) of this section.
- 25 (8) A party need not file an answer to a petition for review filed 26 pursuant to RCW 43.21L.050.
- **Sec. 7.** RCW 43.21L.090 and 2003 c 393 s 10 are each amended to 28 read as follows:
  - The ((board)) court shall provide expedited review of petitions filed under this chapter. Any matter reviewed on the decision record as provided in RCW 43.21L.120(1) must be set for hearing within sixty days of the date set for submitting the decision record of all participating permit agencies, absent a showing of good cause for a different date or a stipulation of the parties. Any matter reviewed de novo as provided in RCW 43.21L.120(3) must be set for hearing or trial no later than one hundred twenty days after the initial hearing date.

1 The ((board)) court shall issue a final decision and order within 2 thirty days after the final hearing required in this section.

- Sec. 8. RCW 43.21L.100 and 2003 c 393 s 11 are each amended to read as follows:
- (1) A petitioner or other party may request the ((board)) court to stay or suspend an action by a participating permit agency or another party to implement the decision under review. The request must set forth a statement of grounds for the stay and the factual basis for the request.
- (2) The ((board)) court may grant a stay only if the ((board)) court finds that: (a) The party requesting the stay is likely to prevail on the merits, (b) without the stay the party requesting it will suffer irreparable harm, (c) the grant of a stay will not substantially harm other parties to the proceedings, and (d) the request for the stay is timely in light of the circumstances of the case.
- 17 (3) The ((<del>board</del>)) <u>court</u> may grant the request for a stay upon such 18 terms and conditions, including the filing of security, as are 19 necessary to prevent harm to other parties by the stay.
- **Sec. 9.** RCW 43.21L.110 and 2003 c 393 s 12 are each amended to 21 read as follows:
  - (1) Within forty-five days after entry of an order to submit the decision record, where applicable, or within such a further time as the ((board)) court allows or as the parties agree, each participating agency shall submit to the ((board)) court a certified copy of the decision record for ((board)) court review of the permit decision, except that the petitioner shall prepare at the petitioner's expense and submit a verbatim transcript of any hearings held on the matter.
  - (2) If the parties agree, or upon order of the ((board)) court, the record shall be shortened or summarized to avoid reproduction and transcription of portions of the record that are duplicative or not relevant to the issues to be reviewed by the ((board)) court.
  - (3) The petitioner shall pay the participating agency the cost of preparing the record before the participating agency submits the decision record to the ((board)) court. Failure by the petitioner to

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timely pay the participating agency relieves the participating agency of responsibility to submit the record and is grounds for dismissal of the petition.

- (4) If the relief sought by the petitioner is granted in whole or in part the ((board)) court shall equitably assess the cost of preparing the record among the parties. In assessing costs the ((board)) court shall take into account the extent to which each party prevailed and the reasonableness of the parties' conduct in agreeing or not agreeing to shorten or summarize the record under subsection (2) of this section.
- **Sec. 10.** RCW 43.21L.120 and 2003 c 393 s 13 are each amended to 12 read as follows:
  - (1) For all permit decisions being reviewed that were made by quasi-judicial bodies or permit agency officers who made factual determinations in support of the decisions, after the conduct of proceedings in which the parties had an opportunity consistent with due process to make records on the factual issues, ((board)) court review of factual issues and the conclusions drawn from the factual issues shall be confined to the records created by the quasi-judicial bodies or permit agency officers, except as provided in subsections (2) through (4) of this section.
  - (2) For decisions described in subsection (1) of this section, the records may be supplemented by additional evidence only if the additional evidence relates to:
  - (a) Grounds for disqualification of a member of the body or of the officer that made the permit decision, when such grounds were unknown by the petitioner at the time the record was created;
  - (b) Matters that were improperly excluded from the record after being offered by a party to a permit decision proceeding; or
  - (c) Matters that were outside the jurisdiction of the body or officer that made the permit decision.
  - (3) For permit decisions other than those described in subsection (1) of this section, the ((board)) court review of the permit decision shall be de novo on issues presented as error in the petition.
- 35 (4) The ((board)) court may require or permit corrections of 36 ministerial errors or inadvertent omissions in the preparation of the 37 record.

(5)(a) The parties may not conduct pretrial discovery except with the prior permission of the ((board)) court, which may be sought by motion, subject to any applicable rules adopted by the ((board)) court, at any time after service of the petition. The ((board)) court shall not grant permission unless the party requesting it makes a prima facie showing of need. The ((board)) court shall strictly limit discovery to what is necessary for equitable and timely review of the issues.

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- (b) If the ((board)) court allows the record to be supplemented, or in any de novo proceeding under subsection (3) of this section, the ((board)) court shall require the parties to disclose before the hearing or trial on the merits the identity of witnesses and the specific evidence they intend to offer.
- 13 (c) If any party, or anyone acting on behalf of any party, requests 14 records under chapter 42.17 RCW relating to the matters at issue, a 15 copy of the request shall simultaneously be given to all other parties, 16 and the ((board)) court shall take such request into account in 17 fashioning an equitable discovery order under this section.
- 18 **Sec. 11.** RCW 43.21L.130 and 2003 c 393 s 14 are each amended to 19 read as follows:
  - (1) The ((board)) court shall review the decision record and all such evidence as is permitted to supplement the record for review restricted to the decision record or is required for de novo review under RCW 43.21L.120. The ((board)) court may grant relief only if the party seeking relief has carried the burden of establishing that one of the standards set forth in (a) through (f) of this subsection has been met. The standards are:
  - (a) The body or officer that made the permit decision engaged in unlawful procedure or failed to follow a prescribed process, unless the error was harmless;
  - (b) The permit decision is an erroneous interpretation of the law, after allowing for such deference as is due the construction of a law by an agency with expertise;
  - (c) The permit decision is not supported by evidence that is substantial when viewed in light of the whole record before the ((board)) court;
- 36 (d) The permit decision is a clearly erroneous application of the 37 law to the facts;

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- 1 (e) The permit decision is outside the authority or jurisdiction of 2 the body or officer making the decision; or
- 3 (f) The permit decision violates the constitutional rights of the 4 party seeking relief.
- 5 (2) The ((board)) court may affirm or reverse each and every permit 6 decision under review or remand the decision for modification or 7 further proceedings involving the permit agencies.
- 8 <u>NEW SECTION.</u> **Sec. 12.** The following acts or parts of acts are 9 each repealed:
- 10 (1) RCW 43.21L.040 (Environmental and land use hearings board) and 11 2003 c 393 s 5;
- 12 (2) RCW 43.21L.140 (Judicial review) and 2003 c 393 s 15; and
- 13 (3) RCW 43.21L.901 (Effective date--2003 c 393) and 2003 c 393 s 14 25.

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