

SENATE BILL REPORT

SB 5290

As of January 24, 2023

Title: An act relating to consolidating local permit review processes.

Brief Description: Concerning consolidating local permit review processes.

Sponsors: Senators Mullet, Kuderer, Fortunato, Lias, Nobles, Saldaña and Wilson, C.; by request of Office of the Governor.

Brief History:

Committee Activity: Local Government, Land Use & Tribal Affairs: 1/24/23.

Brief Summary of Bill

- Requires a local government to exempt project permits for interior alterations from site plan review under certain conditions.
- Establishes a consolidated permit review grant program for local governments to issue final decisions for residential permit applications within specified time frames.
- Creates a grant program to support local governments' transition from a paper permit filing system to software systems capable of processing a digital permit applications system.
- Requires the Department of Commerce to convene a temporary work group to study potential statewide license and permitting software for local governments to streamline existing permit review processes.

SENATE COMMITTEE ON LOCAL GOVERNMENT, LAND USE & TRIBAL AFFAIRS

Staff: Maggie Douglas (786-7279)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background: Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. The GMA establishes a wide array of planning duties for 28 counties, and the cities within those counties, that are obligated to satisfy all planning requirements of the GMA. These jurisdictions are sometimes referred to as fully planning under the GMA.

The GMA directs fully planning jurisdictions to adopt internally consistent comprehensive land use plans. Comprehensive plans are implemented through locally adopted development regulations. Development regulations include zoning ordinances, official controls, subdivision ordinances, and other regulations.

Development regulations must also establish and implement time periods for local governments to take action on each type of project permit application. These time periods should not exceed 120 days unless the local government makes written findings that additional time is needed to process specific types of applications.

Project Permit Process. Before developing land, a developer must obtain permits from the local government allowing the development. These permits can include land use permits, environmental permits, building permits, and others, and are known as project permits. When a county or city planning under the GMA is reviewing a project, its comprehensive plan and development regulations must serve as the basis for the project permit review.

Local governments must issue a determination of completeness of the project permit application within 28 days of submission and must notify other governments and agencies of the application if they have jurisdiction over some aspect of the project. The determination of completeness may include a preliminary determination of the development regulations that will be used for project mitigation or determination of consistency.

If the locality determines the application is incomplete, the locality must notify the applicant what additional information is needed to make the application complete. The local government must notify an applicant whether the application is complete or what additional information is needed within 14 days of resubmission.

A project permit application is determined to be complete when it meets the local procedural submission requirements and is sufficient for continued processing. The determination of completeness does not preclude a request for additional information if new information is required, or substantial project changes occur. A project permit application is deemed complete if the GMA jurisdiction does not provide the determination within the required time period.

Within 14 days of a local government determining a project permit application complete, the locality must provide notice of application to the public and to affected departments. The notice must include a determination, statement of public comment period, and scoping notice under the State Environmental Policy Act (SEPA), if applicable. A public comment

period must be at least 14 days but no more than 30 days following the date of notice of application.

If an open record pre-decision meeting is required for the project permit, the local government must issue its notice of application at least 15 days prior to the open record pre-decision hearing. No more than one open record hearing and one closed record appeal may be provided, except for the appeal of a determination as provided under SEPA.

A local government must provide a notice of decision that includes a statement of any threshold determination made under SEPA. The notice of action should be issued within the time period specified by the local government for each type of project permit application, and should not exceed 120 days unless the local government makes written findings that a specified amount of additional time is needed to process specific complete project permit applications or project types.

Should a local government deny a project permit application, a local government may, but is not required to, provide for administrative appeals. If provided, an administrative appeal of the project decision, combined with any environmental determinations, shall be filed within 14 days after the notice of the decision has been made and is appealable.

Project Review—Required Elements. A proposed project must be consistent with a local government's development regulations, or in the absence of applicable regulations, the adopted comprehensive plan. Applicable regulations must be determinative of the following:

- type of land use permitted at the site, including uses that may be allowed under certain circumstances;
- density of residential development in urban growth areas; and
- availability and adequacy of public facilities identified in the comprehensive plan or development regulations.

Site Plan Review. A local government may require a binding site plan to be included with any permit application prior to the issuance of construction permits. The site plan may include a description of physical details that relate to the site and the type of use proposed, including landscaping, design, parking location, and other site-specific issues. A site plan provides exact locations, and detail for the type of information appropriately addressed as a part of property division, such as infrastructure, certification, and other requirements of typical subdivisions.

The review of a site plan must include a preapplication conference, conceptual review, public participation meeting, design guidance review, and a final design review and recommendation. A site plan may be subject to review by the local public health district, city engineering department, or the local planning commission.

Summary of Bill: Project permit applications for interior alterations must be exempted

from site plan review under the condition that the interior alterations do not result in additional sleeping quarters, nonconformity with federal emergency management agency substantial improvement thresholds, or increase the total square footage or valuation of the structure, which would all require upgraded fire access or fire suppression systems. Any interior alteration may not modify the existing site layout, current use, or building footprint.

The Department of Commerce (Commerce) must:

- establish a consolidated permit review grant program for eligible local governments;
- establish a grant program for local governments to update their permit review process from paper filing systems to software systems capable of processing digital permit applications, virtual inspections, electronic review, and capacity for video storage; and
- convene a digital permitting process work group, that includes cities, counties, and building industries, to examine a potential statewide license and permitting software for local governments to encourage streamlined and efficient permit review.

The work group must submit a final report to the Legislature by August 2024.

Prior to receiving a consolidated permit review grant, a local government must commit to issuing final permit application decisions within 45 business days or 90 calendar days and establish an application fee structure that would allow the jurisdiction to continue providing consolidated permit review within the same time frame. A local government may use the grant moneys to contract with a third-party business to conduct consolidated permit review, or to provide additional inspection staff. Any jurisdiction awarded moneys under the consolidated permit review grant program must provide a quarterly report to Commerce, detailing the jurisdiction's average and maximum time for permit review during its participation in the grant program.

Appropriation: None.

Fiscal Note: Requested on January 15, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: When this bill died in House Appropriations last year, it began a process to find common ground between cities, counties, and builders. This bill reduces the need for unnecessary review of interior remodeling. It incentivizes quicker review of permit applications through the use of contracting with third parties. Using third party contracting services will help departments with heavy permit workload. The bill also helps departments upgrade from a paper permit system to an electronic version. It will help departments that are not currently taking advantage of such tools to help improve the consistency and experience for applicants. This bill allows flexibility for local

governments to expand permitting capacity as needed and reduce capacity if not. The dollar amount has been left open ended so budget writers can determine how much they want to dedicate to that program to speed up turnaround times. This bill provides a financial grant program to try and get every jurisdiction in Washington switched to electronic filing.

Persons Testifying: PRO: Senator Mark Mullet, Prime Sponsor; Paul Jewell, Washington State Association of Counties; Noha Mahgoub, Governor's Office; Bill Stauffacher, Building Industry Association of Washington; Scott Hazlegrove, Master Builders Association of King & Snohomish Counties.

Persons Signed In To Testify But Not Testifying: No one.