

HOUSE BILL REPORT

HB 2198

As Reported by House Committee On:
State Government & Tribal Relations

Title: An act relating to improving regulatory efficiency by integrating executive order 25-03, concerning permitting and licensing processes, into chapter 43.42A RCW.

Brief Description: Improving regulatory efficiency by integrating executive order 25-03, concerning permitting and licensing processes, into chapter 43.42A RCW.

Sponsors: Representatives Richards, Leavitt, Ryu, Dufault, Zahn, Rule, Bronoske, Reeves and Fosse; by request of Governor Ferguson.

Brief History:

Committee Activity:

State Government & Tribal Relations: 1/23/26, 2/3/26 [DP].

Brief Summary of Bill

- Requires executive branch agencies to maintain entries for all credentials issued by the agency in the statewide credential catalog, which is created by the Office for Regulatory Innovation and Assistance (ORIA) in consultation with Washington Technology Solutions.
- Requires executive branch agencies to report certain data on credentials issued by the agency to ORIA, including application counts and processing times.
- Requires cabinet agencies to incrementally establish published decision times for all credentials issued by the agency and provide application fee refunds if the agency fails to meet its published decision time.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL RELATIONS

Majority Report: Do pass. Signed by 6 members: Representatives Mena, Chair; Stearns,

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.

Vice Chair; Waters, Ranking Minority Member; Chase, Doglio and Farivar.

Minority Report: Do not pass. Signed by 1 member: Representative Walsh, Assistant Ranking Minority Member.

Staff: Connor Schiff (786-7093).

Background:

Permit Application Publication and Reporting.

Each executive branch agency is required to make available to permit applicants certain information on the agency's website, including:

- a permit inventory;
- types of permit assistance;
- time estimates for processing a permit application; and
- tools to help applicants complete an application.

Agencies are required to report certain performance data about each permit in its inventory to the Office for Regulatory Innovation and Assistance (ORIA), including application completion times and decision issuance times. Every even-numbered year, ORIA publishes a report on the performance of agencies in tracking permit timelines and other efforts to improve clarity and predictability of regulatory permitting. Washington Technology Solutions, in consultation with ORIA, is required to establish a central repository of this information on ORIA's website.

Executive Order 25-03.

In January 2025 Governor Ferguson issued Executive Order 25-03, which directs all executive and small cabinet agencies to compile a catalog of the types of permits, licenses, certification, or identification cards the agency issues and submit the catalog to the Governor's Office. Each agency must provide a description of each type of credential, the method by which the agency receives applications, fee information, and various other data to identify opportunities to streamline the approval process and eliminate unnecessary steps or barriers.

Summary of Bill:

Credential is defined as a state-issued permit, license, certification, or other regulatory approval required for an individual, business, or organization to engage in a regulated or commercial activity. Credentials include regulatory approvals tied to business, occupational, professional, or environmental activities.

Statewide Credential Catalog and Central Online Repository of Credential Information.

The Office for Regulatory Innovation and Assistance (ORIA), in consultation with

Washington Technology Solutions (WaTech), must create a statewide credential catalog and central online repository of credential information. The catalog and repository must be maintained as the single authoritative source for state-issued credential information. The catalog and repository must be designed so that information is searchable, machine-readable where practicable, and readily accessible by members of the public.

Each executive branch agency must prepare, maintain, and regularly update entries in the statewide credential catalog for all credentials issued by the agency. Each catalog entry must include certain information, including:

- a description of the credential;
- the amount of any application, credential, or program fee;
- credential requirements;
- instructions for application submission;
- review and processing times;
- citations to applicable statutory or regulatory authority;
- appeal processes for denied applicants; and
- tools and assistance for completing applications.

In consultation with WaTech, ORIA must establish guidance for catalog entries, technical standards, data formats, and submission. Additionally, ORIA and WaTech must provide agencies with any templates and technical assistance necessary to support implementation.

Agency Reporting Requirements.

On or before March 1 of each year, executive branch agencies that issue credentials must submit a report to ORIA that includes application counts, processing times, and other identifying or statistical data required by ORIA. The information must be consistent with the credential catalog. Reporting requirements apply to:

- applications that have been received on or after January 1, 2025;
- applications determined to be complete on or after January 1, 2025; and
- applications for which the agency issued a final decision on or after January 1, 2025.

An agency may exclude inactive applications from its report. An agency must obtain approval from ORIA for exceptions to the reporting requirement when data is unavailable and provide documented justification demonstrating it is not a result of agency failure to collect required information. Each agency shall ensure that the information included in its report is consistent with the information in the credential catalog.

The Office for Regulatory Innovation and Assistance must establish guidance for agency reporting requirements, including reporting metric calculations, approved alternate processing or reporting methodologies, and circumstances where data may be excluded. Exceptions to certain reporting requirements may be approved by ORIA when necessary to ensure accuracy, accommodate statutory timelines, or reflect program-specific operational requirements.

Published Decision Times.

After consultation with ORIA and the Governor's Office, each cabinet agency must establish deadlines for credential application review and decisions. Each cabinet agency must incrementally establish decision times for the credentials it issues, which must be completed by January 1, 2030. Additional time for establishing processing time deadlines may be granted by ORIA. Decision times must be published in the central online repository.

Unless prohibited or restricted by law, the cabinet agency must refund the application fee if it fails to meet its published decision time for a completed credential application. Any refunds must be included in the report due on March 1 of each year. Any credentials may be excluded from refund requirements within ORIA's discretion.

The Office for Regulatory Innovation and Assistance must publish a comprehensive progress report that details credential information reported by each agency, agency performance in tracking credential timelines, and other efforts to improve clarity and predictability of regulatory credential application processes. Beginning with the 2027 reporting period, ORIA must identify those credentials with processing and decision times that are most improved and those most in need of improvement.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Since the Governor signed Executive Order 25-03, there have been remarkable improvements in agency credential processes, including in the Department of Labor and the Department of Health. There is still more work to do. Delays in issuing certifications cost people jobs, money, and access to care. Unpredictable timelines create issues for employers and projects. Permitting challenges can stop or delay work and operations of Washington businesses. Improving agency delivery of services increases trust in government. This proposal is necessary because certain agencies do not have the authority to issue credential fee refunds. The bill also ensures that changes and improvements will not disappear with a change in administration. This is an important accountability, efficiency, predictability, and transparency tool. Agencies are best suited to know how to improve their processes. The Office for Regulatory Innovation and Assistance has the ability to grant exceptions to allow agencies to have the flexibility necessary to implement this proposal.

(Opposed) None.

Persons Testifying: Representative Adison Richards, prime sponsor; Beau Perschbacher, Governor's Office; Brooke Davies, Cosmetologists of Washington United; Emily Wittman, Association of Washington Business; Heather Kurtenbach, Washington State Building and Construction Trades; Jason Hewitt, WA State Association of UA Plumbers, Pipefitters, HVAC/R Service Technicians; Carly Michiels, Washington Public Ports Association; Shawna Fox, Washington State Department of Health; and Sean DeWitz, Washington Hospitality Association.

Persons Signed In To Testify But Not Testifying: None.