

HOUSE BILL REPORT

HB 2718

As Reported by House Committee On:
Transportation

Title: An act relating to streamlining transportation projects.

Brief Description: Streamlining transportation projects.

Sponsors: Representative Richards.

Brief History:

Committee Activity:

Transportation: 2/5/26, 2/9/26 [DPS].

Brief Summary of Substitute Bill

- Creates timeframes for the Washington State Department of Transportation's (WSDOT) multiagency permit program to schedule meetings regarding permits, determine methods to expedite permit issuance, engage with various stakeholders, and ensure permit issuance.
- Establishes a process and timeline for mandatory issuance of various state permits.
- Requires collaboration with impacted federally recognized tribes, as part of the permit streamlining process.
- Requires the WSDOT to prepare a report containing various required items related to streamlining permitting.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives Fey, Chair; Bernbaum, Vice Chair; Reed, Vice Chair; Barkis, Ranking Minority Member; Low, Assistant Ranking Minority Member; Mendoza, Assistant Ranking Minority Member; Schmidt, Assistant Ranking Minority

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.

Member; Bronoske, Duerr, Engell, Entenman, Hackney, Hall, Klicker, Ley, Nance, Orcutt, Paul, Ramel, Richards, Stuebe, Taylor, Timmons, Volz, Wylie and Zahn.

Staff: David Munnecke (786-7315).

Background:

The National and State Environmental Policy Acts.

The National Environmental Policy Act (NEPA) establishes a review process to identify environmental impacts of certain decisions by the federal government, including for projects that require the issuance of a permit. Likewise, the State Environmental Policy Act (SEPA) establishes a review process for state and local governments to evaluate environmental impacts from project permits and other government decisions. The NEPA and the SEPA both exempt certain actions from requirements for the submission of an environmental checklist, or the development of an environmental impact statement. An agency conducting a SEPA review may adopt a NEPA environmental analysis if the NEPA analysis is consistent with SEPA requirements, including the scope of environmental elements analyzed under the SEPA. Certain Washington State Department of Transportation (WSDOT) activities are exempt from NEPA requirements, SEPA requirements, or are exempt from both.

Shoreline Management Act Permits.

The Shoreline Management Act (SMA) of 1971 requires that most developments near state shorelines be consistent with shoreline master programs, which are plans developed by local governments for the uses of its shoreline areas. Certain projects require a substantial development permit that is reviewed by the local government and filed with the Department of Ecology (Ecology). In certain property-specific circumstances, variance permits or conditional use permits may be issued by a local government that allow for development that is not consistent with the local shoreline master program. Local governments must submit letters of exemption to Ecology for developments that require federal approval, but are exempt from the SMA substantial development permit requirements.

Water Pollution Regulations and Programs.

Ecology is authorized to implement the federal Clean Water Act's discharge program and state water pollution control laws. Through these programs, Ecology is authorized to issue federal and state water quality permits for persons that discharge into waters of the state.

The Hydraulic Project Approval (HPA) program is a permitting process managed by the Washington Department of Fish and Wildlife (WDFW). Any activity that will use, divert, obstruct, or change the natural flow or bed of any of the salt or freshwaters of the state must first obtain an HPA from the WDFW. Through the HPA process, the WDFW specifically analyzes and conditions projects based on the anticipated effect on fish life.

Federal Permitting.

Depending on site location and conditions, some WSDOT projects need federal permits under the Rivers and Harbor Act, Endangered Species Act, and National Historic Preservation Act. Occasionally, federal permits are also needed through the Migratory Bird Treaty Act, Gold and Bald Eagle Protection Act, and Marine Mammal Protection Act.

The WSDOT has statutory guidance to implement a multiagency permit program, and to establish programmatic agreements and permits with both state and federal agencies, as appropriate.

Summary of Substitute Bill:

Permitting.

Once it is determined that a project will need a particular permit and the parameters thereof, WSDOT multiagency permit program staff (Staff) must ensure, to the maximum extent possible, that a meeting with the appropriate federal or state agency or agencies responsible for the issuance of the permit occurs within 30 days. The meeting must develop methods by which the issuance of the permit may be expedited, and the Staff is responsible for the implementation of any such methods. The Staff must, to the maximum extent possible, ensure that within 90 days of the occurrence of a meeting regarding a permit, a decision is reached regarding the issuance of the permit.

Within 30 days of determining that a project will need to receive a particular permit and the relevant parameters of the permit, the Staff must begin soliciting community input regarding the permit, including from impacted cities, counties, and federally recognized tribes. Cities, counties, and federally recognized tribes must also be included in any outreach and meetings regarding the permit.

If no comments regarding HPA permits, shoreline permits, SEPA permits, or wastewater discharge permits are made, by the agency responsible for the issuance of such permits, within 60 days of the submission of the permit application, the permit is deemed approved. Any comments by an agency responsible for the issuance of such a permit must be based on objective written standards.

If comments regarding a permit are made, the Staff may resubmit the permit with such modifications as are necessary to resolve the comment or comments. If no further comments are received, within 30 days of the resubmission of the permit application, the permit is deemed approved. If all comments regarding a permit have been addressed according to the objective written standards of that agency and no permit has been issued, the Staff may make a finding that:

- all comments regarding a permit have been addressed; and
- a reasonable person would find that any comments that have not been addressed are extraneous or irrelevant to the objective written standards of the agency, and the permit is deemed approved.

As part of their efforts to streamline permitting, the Staff must collaborate with, and ensure input from, impacted federally recognized tribes. Such collaboration and input must be solicited as early as is feasible, and continue throughout the process of obtaining permits.

Permitting Report.

The WSDOT is required to develop a report regarding the following items:

- templates for permit approval based upon each permitting agencies' policies, for use by state agencies and local governments;
- emergency provisions that allow for expedited project construction, which may be implemented during periods of nonemergency, and incorporating that work into ongoing permitting processes;
- opportunities to simplify funding sources and best distribute federal resources to maximize timely project delivery;
- a plan for centralizing communication and current information on the progress of issuing any permit;
- processes for identifying points of contact within each permitting agency for a given permit and the individual responsible for communicating any staff changes;
- recommendations for changing the process allowing permit exemptions; and
- plans for programmatic permits based upon project type and tools available to maximize efficiency in permit approval for projects.

The WSDOT must provide the report to the Transportation Committees of the Legislature detailing its work and any recommendations, including any recommendations for legislation, by December 1, 2027.

Substitute Bill Compared to Original Bill:

As compared to the original bill, the substitute bill removes the requirement that the WSDOT must develop a publicly accessible website that provides ratings for contractors who bid on state and local transportation projects, it also removes the requirement that the WSDOT must provide a rating on the website for every contractor that bids on a state transportation project, and lastly, it removes the ability of all other state agencies and local governments to provide rating information.

The ability of the WSDOT to take a rating into account when awarding a contract is also removed.

Appropriation: None.

Fiscal Note: Requested on February 3, 2026.

Effective Date of Substitute Bill: The bill takes effect on October 1, 2026.

Staff Summary of Public Testimony:

(In support) "Every citizen agrees that the need to bring the state's roads and streets up to date is urgent. The longer the wait, the greater the cost will be." Those are the words of President Harry Truman back in 1955. He had the famous Truman Committee to work on providing accountability and cost savings in wartime projects, and this quote comes from a speech he gave to the United States Senate when he was President of the United States.

This effort on permitting reform and making the state's regulatory structure more accountable in making projects deliver on time and on budget, is an ongoing conversation that will exist for as long as the state is building roads and bridges. It is important to get this work started, and do it as quickly and efficiently as possible.

Delays in projects are contributing significantly to the costs facing the state. The transportation budget is constantly under pressure due to significant changes in how people are traveling, what cars people are driving, and gas consumption.

The longer projects take, the more it costs. Time is money, and everything should be done to get ahead of the timelines on projects and make sure the state is moving ahead so that additional taxpayer money is not wasted. Last year, a workgroup bill was passed, and that is where many of the recommendations in this bill come from.

One of the concepts introduced in this bill is the idea to create more accountability and structure around how contracts and projects are awarded. Making sure there is accountability, and that good work is being done. If projects are delayed, then that is a significant expense to taxpayers and takes away from the ability to complete other projects.

Also, agencies need to talk to each other more, especially at the outset of projects, and need to engage with stakeholders more at the outset of projects. Tribes, for example, are not included or engaged with until late in the process, and that contributes to delays.

There is a shot clock concept contained in this bill. This idea is that, if there are no comments, if there is no issue, and otherwise, if there are, then firm timelines are set for processing things, and that work happens within a certain time frame.

(Opposed) The WSDOT is regarded by contractors as a fair and professional owner. The WSDOT already uses pre-qualification and bidder responsibility tools effectively, and manages projects in good faith.

The rating system is not something the WSDOT has asked for, and that matters because the provision does not fill a gap in accountability. Instead, it creates a new public rating based largely on whether projects come in overbid or behind schedule. Outcomes that are driven by factors often outside a contractor's control, such as undisclosed site conditions, utility conflicts, scope changes, and weather. Under the state's own contracts, those are excusable

and compensable events. The contractor is not at fault, yet this provision would still publicly penalize contractors for those outcomes. That is not accountability, it's misattribution, and it could backfire. Contractors respond rationally to risk. Faced with public ratings untethered from fault, they will need to consider an unknown risk in bids, lengthen schedules, or avoid complex projects altogether. This could mean higher costs, fewer bidders, and slower delivery to the state.

This also creates unnecessary bid protest risk. Allowing undefined ratings to influence awards invites claims of arbitrary and capricious decision-making. Even when those protests fail, they delay awards, stall construction, and increase costs. This provision works against the very laudable goal of permit reform, and could duplicate existing authority and increase risk.

The WSDOT already has an internal rating system and a pre-qualified contractor system. Publishing a report card on contractors and allowing the WSDOT to take the rating into account when awarding a contract would need a lot more stakeholdering before it is put into law.

How cities and counties can input and influence these contractor ratings is totally undefined. The process for using the proposed rating system for bidding is totally undefined as well. The criteria are ambiguous, and many things are not under the contractor's control. How the proposed new system works with the WSDOT's existing pre-qualified contractor system is a big question mark as well.

Persons Testifying: (In support) Representative Adison Richards, prime sponsor.

(Opposed) Mike Ennis, Washington Asphalt Pavement Association; and Jerry Vanderwood.

Persons Signed In To Testify But Not Testifying: None.