

SENATE BILL REPORT

SB 5968

As Reported by Senate Committee On:
State Government, Tribal Affairs & Elections, January 23, 2026

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: Senators Krishnadasan, Liias and Shewmake; by request of Governor Ferguson.

Brief History:

Committee Activity: State Government, Tribal Affairs & Elections: 1/16/26, 1/23/26 [DPS].

Brief Summary of First Substitute Bill

- Requires cabinet agencies to report data on credentials they issue to the Office of Regulatory Innovation and Assistance.
- Requires cabinet agencies to establish published decision times for all credentials and provide application fee refunds if the agency fails to meet its published decision time.

SENATE COMMITTEE ON STATE GOVERNMENT, TRIBAL AFFAIRS & ELECTIONS

Majority Report: That Substitute Senate Bill No. 5968 be substituted therefor, and the substitute bill do pass.

Signed by Senators Valdez, Chair; Kauffman, Vice Chair; Wilson, J., Ranking Member; Fortunato, Hasegawa, McCune and Riccelli.

Staff: Danielle Creech (786-7412)

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: Regulatory Process. State agencies issue permits, licenses, certifications, and other regulatory approvals required for an individual, business, or organization to engage in regulated or commercial activities. These may be tied to business, occupational, professional, or environmental activities.

Regulatory Process Programs. Several programs have been established, through legislation and executive order, relating to the state regulatory process:

- Executive Order 06-02 directed the development of a one-stop business portal, to offer a single, secure, online portal that would make licensing, permitting, regulatory approvals or filings, and tax collection easier for business. The portal contains services and resources related to doing business in Washington;
- the Legislature created the Office of Regulatory Assistance (ORA) in 2002 to address potential conflict, overlap, and duplication in Washington's environmental permits. The ORA's—now the Office of Regulatory Innovation and Assistance—functions regarding permits and licenses fall into these three areas supplying information, providing assistance and coordination, and improving regulatory processes;
- Executive Order 10-05 directed the Department of Commerce, working with the ORA and key state agencies that regulate business, to consolidate the variety of small business licensing, registration, and certification guides into one integrated online resource available across all state agencies;
- the Legislature passed E2SHB 2192 in 2014, requiring agencies to make permit performance data readily accessible to citizens by tracking the time it takes to issue permits. The bill requires agencies to provide permit assistance, time estimates, and other tools to help applicants via a link on the agency's website that directs to the ORA website; and
- Executive Order 25-03 directed all executive and small cabinet agencies to compile a catalog of the types of permits, licenses, certification, or identification cards it issues. This includes 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. The Executive Order also requires agencies to submit this catalog information to the Governor's Office.

Summary of Bill (First Substitute): Credentials. Credentials are defined to mean 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. This includes regulatory approvals tied to business, occupational, professional, or environmental activities.

Statewide Credential Catalog and Central Online Repository of Credential Information. Reporting metrics are updated for the statewide credential catalog and central online repository of credential information. The Office of Regulatory Innovation and Assistance (ORIA) must establish guidance for agencies on reporting requirements, including how to calculate reporting metrics, alternative processing or reporting methodologies, and

circumstances where data may be excluded. Each agency must prepare and maintain entries in the statewide credential catalog for all credentials that the agency issues.

Washington Technology Solutions (WaTech), ORIA, and agencies must prepare, update, and provide catalog information in a way that maximizes accessibility and usability. The catalog must be searchable, machine readable where practicable, and readily accessible to the public to ensure a single, authoritative source of state-issued credential information.

On or before March 1st of each year, agencies that issue credentials, including cabinet agencies, must submit a report to ORIA, containing application counts, processing times, and other identifying or statistical data required by ORIA. This information must be consistent with the credential catalog. These requirements apply to applications received, determined to be complete, or final decision has been made on or after January 1, 2025.

There are exceptions to reporting requirements only for those applications which are no longer active. An agency must obtain ORIA approval for exceptions to the reporting requirement due to unavailability of data and provide documented justification demonstrating it is not a result of intentional agency failure to collect required information.

Published Decision Times. After consultation with ORIA and the Governor's Office, each cabinet agency must establish deadlines for the time it takes to review and provide a final decision on completed applications for each type of credential. Decision times must be calculated in accordance with statute and made available through the central online repository. Each cabinet agency must incrementally publish decision times for the credentials it issues, which must be completed by January 1, 2030. ORIA has discretion to exclude any credentials from refund requirements, or may grant additional time to establish processing time deadlines.

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 1st of each year.

ORIA is required to post a comprehensive progress report on its website detailing agencies' performance in tracking credential timeliness, and other efforts to improve clarity of the regulatory credential application process. 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.

EFFECT OF CHANGES MADE BY STATE GOVERNMENT, TRIBAL AFFAIRS & ELECTIONS COMMITTEE (First Substitute):

- Exempts certain approvals issued by the Department of Natural Resources, acting in its proprietary land management capacity, from credential reporting requirements. This includes but is not limited to sales, leases, easements, rights of entry, or other

contracts or proprietary decisions related to the use of public lands or real property interests.

- Removes the prohibition of applications being excluded from reporting requirements due to data system deficiencies.
- Clarifies that for an application to be excluded from reporting due to unavailable data, the agency must provide documented justification that the unavailability is not due to intentional failure to collect required information.

Appropriation: None.

Fiscal Note: Requested on January 8, 2026.

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 on Original Bill: *The committee recommended a different version of the bill than what was heard. The committee recommended a different version of the bill than what was heard.* PRO: This will provide the legal authority for agencies to actually refund application fees. This is important because we know a delay in obtaining a license or permit costs money, time, and for some, it has cost jobs. Delays and uncertainty don't just create frustration, they create financial hardship. Requiring refunds of application fees is a very strong deterrent for the agencies to hit processing time deadlines, so this will be a strong incentive to provide predictability that the public can rely on. Transparency and accountability in state processes is critical, and this bill is a good step towards improving how Washington manages its permitting and licensing processes. Since the Governor's executive order, there has already been significant progress in getting licenses and permits into the hands of people more quickly. Several agencies have achieved a more than 25 percent improvement in processing time for credentials. This policy is a clear success for working people. This bill also has a lot of flexibility built in, allowing ORIA to grant additional time to agencies, waive requirements, and approve alternative reporting methodologies. This bill helps ensure that when someone is ready for work, the state is ready to meet them there.

Persons Testifying: PRO: Senator Deborah Krishnadasan, Prime Sponsor; Beau Perschbacher, Governor's Office; Brooke Davies, Cosmetologists of Washington United; Cassie Bordelon, Climate Jobs WA; Heather Kurtenbach, WSBCTC; Neil Hartman, Washington State Association of UA Plumbers, Pipefitters and HVAC/R Mechanics; Eric ffitch, Washington Public Ports Association; Emily Wittman, Association of Washington Business; Shawna Fox, Washington State Department of Health.

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