SENATE BILL 5290

State of Washington 68th Legislature 2023 Regular Session

By Senators Mullet, Kuderer, Fortunato, Liias, Nobles, Saldaña, and C. Wilson; by request of Office of the Governor

Read first time 01/11/23. Referred to Committee on Local Government, Land Use & Tribal Affairs.

- 1 AN ACT Relating to consolidating local permit review processes;
- 2 amending RCW 36.70B.140; and adding new sections to chapter 36.70B
- 3 RCW.

7

8

9

1011

12

13

14

1516

17

18

1920

- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 36.70B.140 and 1995 c 347 s 418 are each amended to 6 read as follows:
 - (1) A local government by ordinance or resolution may exclude the following project permits from the provisions of RCW 36.70B.060 through 36.70B.090 and 36.70B.110 through 36.70B.130: Landmark designations, street vacations, or other approvals relating to the use of public areas or facilities, or other project permits, whether administrative or quasi-judicial, that the local government by ordinance or resolution has determined present special circumstances that warrant a review process different from that provided in RCW 36.70B.060 through 36.70B.090 and 36.70B.110 through 36.70B.130.
 - (2) A local government by ordinance or resolution also may exclude the following project permits from the provisions of RCW 36.70B.060 and 36.70B.110 through 36.70B.130: Lot line or boundary adjustments and building and other construction permits, or similar administrative approvals, categorically exempt from environmental

p. 1 SB 5290

- review under chapter 43.21C RCW, or for which environmental review has been completed in connection with other project permits.
 - (3) A local government must, by ordinance or resolution, exclude project permits for interior alterations from site plan review, provided that the interior alterations do not result in the following:
 - (a) Additional sleeping quarters or bedrooms;

3

4

5

7

1920

21

22

2324

27

28

2930

31

32

33

3435

36

- 8 <u>(b) Nonconformity with federal emergency management agency</u> 9 <u>substantial improvement thresholds; or</u>
- 10 <u>(c) Increase the total square footage or valuation of the</u> 11 <u>structure thereby requiring upgraded fire access or fire suppression</u> 12 <u>systems.</u>
- (4) For purposes of this section, "interior alterations" include construction activities that do not modify the existing site layout or its current use and involve no exterior work adding to the building footprint.
- NEW SECTION. Sec. 2. A new section is added to chapter 36.70B RCW to read as follows:
 - (1) Subject to the availability of funds appropriated for this specific purpose, the department of commerce must establish a consolidated permit review grant program. The department may award grants to any local government that provides, by ordinance, resolution, or other action, a commitment to the following building permit review consolidation requirements:
- 25 (a) Issuing final decisions on residential permit applications 26 within 45 business days or 90 calendar days.
 - (i) To achieve permit review within the stated time frame, a local government must provide consolidated review for building permit applications. This may include an initial technical peer review of the application for conformity with the requirements of RCW 36.70B.070 by all departments, divisions, and sections of the local government with jurisdiction over the project.
 - (ii) A local government may contract with a third-party business to conduct the consolidated permit review or as additional inspection staff. Any funds expended for such a contract may be eligible for reimbursement under this act.
- 37 (b) Establishing an application fee structure that would allow 38 the jurisdiction to continue providing consolidated permit review 39 within 45 business days or 90 calendar days.

p. 2 SB 5290

1 (i) A local government may consult with local building 2 associations to develop a reasonable fee system.

- (ii) A local government must determine, no later than August 1, 2023, the specific fee structure needed to provide permit review within the timeline specified in subsection (1)(b) of this section.
- (2) A jurisdiction that is awarded a grant under this section must provide a quarterly report to the department of commerce. The report must include the average and maximum time for permit review during the jurisdiction's participation in the grant program.
- (3) If a jurisdiction is unable to successfully meet the terms and conditions of the grant, the jurisdiction must enter a 90-day probationary period. If the jurisdiction is not able to meet the requirements of this section by the end of the probationary period, the jurisdiction is no longer eligible to receive grants under this section.
- (4) For the purposes of this section, "residential permit" means a permit issued by a city or county that satisfies the conditions of RCW 19.27.015(5) and is within the scope of the international residential code, as adopted in accordance with chapter 19.27 RCW.
- NEW SECTION. Sec. 3. A new section is added to chapter 36.70B RCW to read as follows:
 - Subject to the availability of funds appropriated for this specific purpose, the department of commerce must 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.
- NEW SECTION. Sec. 4. A new section is added to chapter 36.70B RCW to read as follows:
 - (1) Subject to the availability of amounts appropriated for this specific purpose, the department of commerce must convene a digital permitting process work group to examine potential license and permitting software for local governments to encourage streamlined and efficient permit review.
 - (2) The department of commerce, in consultation with the association of Washington cities and Washington state association of counties, shall appoint members to the work group representing groups including but not limited to:

p. 3 SB 5290

1 (a) Cities and countie

2

4

5

7

8

- (b) Building industries; and
- (c) Building officials.
- (3) The department of commerce must convene the first meeting of the work group by August 1, 2023. The department must submit a final report to the governor and the appropriate committees of the legislature by August 1, 2024. The final report must:
 - (a) Evaluate the existing need for digital permitting systems;
- 9 (b) Review barriers preventing local jurisdictions from accessing or adopting digital permitting systems;
- 11 (c) Evaluate the benefits and costs associated with a statewide 12 permitting software system; and
- 13 (d) Provide budgetary, administrative policy, and legislative 14 recommendations to increase the adoption of or establish a statewide 15 system of digital permit review.

--- END ---

p. 4 SB 5290