

Effect

- Exempts certain approvals issued by the Department of Natural Resources from credential reporting requirements.
- 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.

1 AN ACT Relating to improving regulatory efficiency by integrating
2 executive order 25-03, concerning permitting and licensing processes,
3 into chapter 43.42A RCW; amending RCW 43.42A.005, 43.42A.010,
4 43.42A.020, 43.42A.030, and 43.42A.040; and adding new sections to
5 chapter 43.42A RCW.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 43.42A.005 and 2014 c 68 s 1 are each amended to
8 read as follows:

9 (~~(On December 30, 2013, the Washington state auditor's office~~
10 ~~issued a performance audit report, finding that state agencies could~~
11 ~~shorten the time it takes to submit, review, and make decisions on~~
12 ~~business permit applications through simple improvements. In response~~
13 ~~to the performance audit findings, the legislature intends to improve~~
14 ~~the predictability and efficiency of permit decisions by making~~
15 ~~information about permitting assistance and timelines more readily~~
16 ~~available to the public.)) The legislature finds that providing~~
17 ~~((citizens and businesses)) those applying for credentials with~~
18 ~~better information about ((permit)) credential decisions will assist~~
19 ~~their planning and decision making((, promoting)) and promote~~
20 ~~economic development. Making ((permit)) credential performance data~~
21 ~~readily accessible to ((citizens)) applicants helps them hold~~

government accountable to a high level of customer service and timeliness. Finally, requiring agencies to track the time it takes to issue ~~((permits))~~ credentials equips agency leaders with key information that can assist them in improving overall project schedules, better allocating resources, and identifying additional opportunities to better serve the public.

Sec. 2. RCW 43.42A.010 and 2014 c 68 s 2 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Agency" means the following executive branch agencies and offices of statewide elected officials:

- (a) Department of agriculture;
- (b) Department of archaeology and historic preservation;
- (c) Department of ecology;
- (d) Department of fish and wildlife;
- (e) Gambling commission;
- (f) Department of health;
- (g) Department of labor and industries;
- (h) Department of licensing;
- (i) Liquor ~~((control))~~ and cannabis board;
- (j) Department of natural resources;
- (k) Parks and recreation commission;
- (l) Department of revenue;
- (m) Department of transportation; ~~((and))~~
- (n) Utilities and transportation commission;
- (o) Department of children, youth, and families;
- (p) Department of enterprise services;
- (q) Department of financial institutions;
- (r) Department of social and health services;
- (s) Employment security department;
- (t) Energy facility site evaluation council;
- (u) Washington medical commission;
- (v) Washington state board of nursing;
- (w) Washington state health care authority;
- (x) Washington state office of financial management;
- (y) Washington state patrol;
- (z) Washington state pollution liability insurance agency;
- (aa) Washington student achievement council;

1 (bb) State lottery commission;
2 (cc) Workforce training and education coordinating board;
3 (dd) Chiropractic quality assurance commission; and
4 (ee) Any other cabinet agency designated by the governor as
5 issuing credentials.

6 (2) "Backlog applications" means completed applications for
7 credentials that, as of the last day of the reporting period, have
8 not received a final decision within the published decision time
9 established by the issuing agency under RCW 43.42A.030(2)(k).

10 (3) "Cabinet agency" means an executive branch agency whose chief
11 executive officer is appointed by, serves at the pleasure of, and
12 reports directly to the governor, but is not governed by an
13 independent board or commission.

14 (4) "Completed application" means an application for a credential
15 in which the applicant has provided all information and materials
16 required by the agency and the agency has determined the application
17 is ready for substantive review and final decision.

18 (5) "Credential" means a state-issued permit, license,
19 certification, or other regulatory approval required for an
20 individual, business, or organization to engage in a regulated or
21 commercial activity. Credentials include regulatory approvals tied to
22 business, occupational, professional, or environmental activities.
23 "Credential" does not include approvals:

- 24 (a) Related to eligibility for public assistance or benefits;
25 (b) Related to participation or billing in medicaid or other
26 state or federal health programs;
27 (c) Issued primarily for recreational or personal use, including
28 noncommercial driver, vehicle, or vessel transactions;
29 (d) Related to vital records;
30 (e) Related to grants, loans, or financial awards;
31 (f) Required for multidecade environmental or land-use
32 obligations beyond initial application approval;
33 (g) Required solely for securities filings;
34 (h) Issued by or to tribal governments;
35 (i) Issued by the Washington student achievement council under
36 chapter 28B.85 RCW for degree-granting institutions to operate in the
37 state;

38 (j) Issued by the department of natural resources acting in its
39 proprietary land management capacity, including but not limited to
40 sales, leases, easements, rights-of-way, land use licenses, rights of

1 entry, or other contracts or proprietary decisions related to the use
2 of public lands or real property interests; or

3 (k) That the agency and the office jointly determine should be
4 excluded from the definition of a credential. Upon approval by the
5 office, an excluded credential is not subject to any requirement of
6 this chapter unless otherwise expressly provided.

7 (6) "Final decision" means the agency's determination that
8 concludes the agency's review of the application and includes any
9 decision, which may include but is not limited to approval,
10 provisional approval, denial, withdrawal, or otherwise closing an
11 application for a credential.

12 (7) "Office" means the office ((of)) for regulatory innovation
13 and assistance.

14 (8) "Pending applications" means the number of completed
15 applications for credentials for which, as of the last day of the
16 reporting period, a final decision has not been made.

17 **Sec. 3.** RCW 43.42A.020 and 2014 c 68 s 3 are each amended to
18 read as follows:

19 ~~(1) ((By June 30, 2014, each agency shall prepare and submit to~~
20 ~~the office an inventory of all the business permits indicated in the~~
21 ~~December 30, 2013, performance audit report by the state auditor.~~

22 ~~(2))~~ (a) Each agency shall track and record the time it takes to
23 make ~~((permitting))~~ credential decisions.

24 (b) Agencies are encouraged to track all relevant information
25 that can assist ~~((Washington businesses))~~ credential applicants in
26 determining how long a ~~((permit))~~ credential process will take so
27 that the ~~((businesses))~~ applicant may successfully plan their
28 activities and make sound investment choices, reduce ~~((permitting))~~
29 costs to the taxpayers in the form of unnecessary or duplicate staff
30 work, and avoid ~~((permitting))~~ decision delays that can result in
31 higher costs and lost revenue.

32 (c) ~~((At a minimum, each))~~ Each agency shall track and record the
33 following information for each ~~((permit))~~ credential application it
34 receives or decision it issues((÷

35 ~~(i) The application completion time, which is the time elapsed~~
36 ~~from the initial submission of an application by an entity seeking a~~
37 ~~permit to the time at which the agency has determined that the~~
38 ~~application is complete; and~~

~~(ii) The permit decision time, which is the time elapsed from receipt of a complete application to the agency's issuance of a decision approving or denying the permit)) and, on or before March 1st of each year, shall submit to the office the data required under this section and section 6(1) of this act for the prior calendar year. Reports must include, at a minimum, the following information:~~

(i) Application counts:

(A) The number of applications received during the reporting period;

(B) The number of pending applications on the last day of the reporting period; and

(C) The number of backlog applications on the last day of the reporting period;

(ii) Processing times:

(A) (I) Application completion time: The number of calendar days from initial receipt of an application to the date the agency determines the application is complete; and

(II) Credential decision time: The number of calendar days from the date an application is determined to be complete to issuance of a final decision.

(B) For each processing time metric, agencies shall report the average and median processing time for all applications completed or decided during the reporting year, regardless of receipt date; and

(iii) Other identifying or statistical data required by the office after consultation with reporting agencies.

(d) Each agency shall ensure that the information reported under (c) of this subsection is consistent with the credential catalog maintained under RCW 43.42A.030, including:

(i) The name and type of each credential entry;

(ii) The statutory or regulatory authority for the credential and any associated fees;

(iii) Application and credential fee amounts; and

(iv) A description of the published decision time for each credential, as described in RCW 43.42A.030(2)(k).

~~((3) Each agency shall calculate, for each permit it has identified in its inventory, the following performance data:~~

~~(a) The average application completion and permit decision times for each permit, as measured by the times tracked for ninety percent of applications or permit decisions, excluding the five percent that took the shortest and the five percent that took the longest;~~

~~(b) The maximum application completion time, excluding applications that were withdrawn or never completed; and~~

~~(c) The maximum permit decision time.~~

~~(4) Each agency shall report to the office, as provided in this subsection (4).~~

~~(a) By March 1, 2016, each agency shall report the times calculated under subsection (3) of this section for the period from January 1, 2015, to January 1, 2016.~~

~~(b) By March 1, 2018, and March 1, 2020, each agency shall report based on the times tracked and calculated since the previous reporting period.~~

~~(c) In each of the reports required under this section, each agency shall submit an updated inventory of permits. Each agency shall identify any permits listed in its inventory for which the agency has not yet posted permit processing times and other information as required under RCW 43.42A.030 and an estimated date for such posting prior to June 30, 2015.~~

~~(5))~~ (2) The reporting required in this section applies to:

(a) Applications received on or after January 1, 2025;

(b) Applications the agency determines are complete on or after January 1, 2025; or

(c) Applications where the agency makes a final decision on or after January 1, 2025.

(3) When calculating decision times for reporting under this section and section 6 of this act:

(a) Agencies shall calculate time using calendar days; and

(b) Agencies may exclude days attributable to circumstances outside the agency's control. If days are excluded, the agency shall identify the reason.

(4) Agencies may exclude an application from reporting under this section only if the agency demonstrates to the office that:

(a) The application is no longer active; or

(b) Required data for one or more reporting elements in subsection (1) of this section are unavailable. The agency must obtain office approval and provide documented justification demonstrating that the unavailability is not the result of an intentional failure to collect information required under this chapter.

1 (5) The office shall make available to the legislature, upon
2 request, the individual agency reports submitted under ((subsection
3 ~~(4) of~~)) this section.

4 **Sec. 4.** RCW 43.42A.030 and 2024 c 54 s 51 are each amended to
5 read as follows:

6 (1) To provide meaningful customer service that informs project
7 planning ~~((and decision making by the citizens and businesses served,~~
8 ~~each agency must make available to permit applicants the following~~
9 ~~information through a link from the agency's website to the office's~~
10 ~~website, as provided in subsection (4) of this section:~~

11 ~~(a) A list of the types of permit assistance available and how~~
12 ~~such assistance may be accessed;~~

13 ~~(b) An estimate of the time required by the agency to process a~~
14 ~~permit application and issue a decision;~~

15 ~~(c) Other tools to help applicants successfully complete a~~
16 ~~thorough application, such as:~~

17 ~~(i) Examples of model completed applications;~~

18 ~~(ii) Examples of approved applications, appropriately redacted to~~
19 ~~remove sensitive information; and~~

20 ~~(iii) Checklists for ensuring a complete application.~~

21 ~~(2) Each agency shall update at reasonable intervals the~~
22 ~~information it posts pursuant to this section.~~

23 ~~(3) (a) Agencies must post the information required under~~
24 ~~subsection (1) of this section for all permits as soon as~~
25 ~~practicable, and no later than the deadlines established in this~~
26 ~~section.~~

27 ~~(b) The agency shall post the permit inventory for that agency~~
28 ~~and the information required under subsection (1) (a) and (c) of this~~
29 ~~section no later than June 30, 2014.~~

30 ~~(c) The agency shall post the estimates of application completion~~
31 ~~and permit decision times required under subsection (1) (b) of this~~
32 ~~section based on actual data for calendar year 2015 by March 1, 2016,~~
33 ~~and update this information for the previous calendar year, by March~~
34 ~~1st of each year thereafter.~~

35 ~~(d) Agencies must consider the customer experience in ensuring~~
36 ~~all permit assistance information is simple to use, easy to access,~~
37 ~~and designed in a customer-friendly manner.~~

38 ~~(4))~~, improves credential processing times, and creates a
39 single, authoritative source of information for applicants, the

1 office shall, in consultation with Washington technology solutions
2 and state agencies with authority to issue credentials, establish and
3 maintain on the office's website a statewide credential catalog and
4 central online repository of credential information.

5 (2) Each agency shall prepare and maintain entries in the
6 statewide credential catalog for all credentials the agency issues.
7 Information provided for the catalog may be provided by hyperlink to
8 the agency's original source where appropriate. At a minimum, each
9 catalog entry must include the following information for each
10 credential if available:

11 (a) The credential name;

12 (b) Type of credential, including "permit," "license,"
13 "certification," or "other";

14 (c) Description or purpose of the credential;

15 (d) Citation to any statutory, regulatory, or other legal
16 authority for the credential;

17 (e) Application fee, if imposed;

18 (f) Credential or program fee, if imposed;

19 (g) Citation to any statutory, regulatory, or other legal
20 authority to collect such fees;

21 (h) Credential requirements, including application requirements,
22 required forms and documents, and a description of all steps in the
23 application process;

24 (i) Application method including whether the application is
25 electronic or paper, and where the application may be obtained;

26 (j) Instructions for submission of the application, including
27 online, mail, or in-person submission;

28 (k) The published decision time, meaning the time to review and
29 make a final decision on a completed application, consistent with
30 section 6(1) of this act. Prior to determining published decision
31 times, agencies shall report any existing statutory deadlines or
32 agency-established approval times for informational purposes, which
33 may not be used for refund determinations;

34 (l) Description of any statutory, regulatory, or other authority
35 governing application processing timelines;

36 (m) Description of the credential validity period, which means
37 how long the credential remains valid;

38 (n) Description of any appeal process available to applicants
39 whose application is denied;

1 (o) A summary of required postapproval actions, including
2 inspections, monitoring, recordkeeping, continuing education
3 requirements, or associated dependencies;

4 (p) Opportunities identified by the agency to streamline approval
5 processes and reduce unnecessary, duplicative, or obsolete
6 requirements;

7 (q) Description of available credential assistance and how such
8 assistance may be accessed; and

9 (r) Tools to assist applicants submitting complete and timely
10 applications, including checklists, examples, or other online
11 resources.

12 (3) To ensure agencies can ((post the required information online
13 with minimal expenditure of agency resources, Washington technology
14 solutions shall, in consultation with the office of regulatory
15 assistance, establish a central repository of this information,
16 hosted on the office of regulatory assistance's website. Each agency
17 shall include at least one link to the central repository from the
18 agency's website. Agencies shall place the link or links in such
19 locations as the agency deems will be most customer-friendly and
20 maximize accessibility of the information to users of the website.

21 (5) The office shall ensure the searchability of the information
22 posted on the central repository, applying industry best practices
23 such as search engine optimization, to ensure that the permit
24 performance and assistance information is readily findable and
25 accessible by members of the public)) prepare, update, and transmit
26 catalog information in a way that maximizes accessibility and
27 usability, the office shall, in consultation with Washington
28 technology solutions and state agencies with authority to issue
29 credentials:

30 (a) Establish the technical standards, data formats, and
31 submission methods for catalog entries;

32 (b) Design and maintain the statewide credential catalog and
33 central repository so that information is searchable, machine
34 readable where practicable, and readily findable and accessible by
35 members of the public;

36 (c) Ensure that the statewide credential catalog and central
37 repository are hosted and maintained as a single authoritative source
38 for state-issued credential information; and

39 (d) Provide agencies with any necessary templates, guidance, and
40 technical assistance to support implementation.

1 (4) Each agency must update, at reasonable intervals, the
2 information it submits to and posts through the statewide credential
3 catalog and central repository under this section. Agencies must, at
4 a minimum, ensure that catalog entries are updated when:

5 (a) Statutory or regulatory authorities governing the credential
6 are amended;

7 (b) Fees or published decision times change; or

8 (c) Application methods, submission instructions, or appeal
9 processes are materially modified.

10 (5) Information required under this section must be incorporated
11 into, and may be delivered through, the office's website and any
12 central online repository established under this chapter. The office
13 shall ensure that the catalog and repository allow applicants to:

14 (a) Identify all credentials required for their activities;

15 (b) Access current application materials, instructions, and
16 assistance tools; and

17 (c) Understand applicable timelines, fees, and appeal rights.

18 **Sec. 5.** RCW 43.42A.040 and 2014 c 68 s 5 are each amended to
19 read as follows:

20 ~~(1) ((By September 30th of 2016 and each even-numbered year~~
21 ~~thereafter up to and including 2020, the office shall publish a~~
22 ~~comprehensive progress report to the economic development committees~~
23 ~~of the house of representatives and the senate and to the governor on~~
24 ~~the performance of agencies in tracking permit timelines and other~~
25 ~~efforts to improve clarity and predictability of regulatory~~
26 ~~permitting. The report must include at a minimum for each agency a~~
27 ~~summary of the data reported by the agency to the office under RCW~~
28 ~~43.42A.020(4)).~~

29 ~~(2))~~ The office shall post ~~((the))~~ a comprehensive progress
30 report on its website detailing the performance of agencies in
31 tracking credential timelines and other efforts to improve clarity
32 and predictability of regulatory credential application processes.
33 The report must include at a minimum for each agency a summary of the
34 credential information reported by the agency to the office under RCW
35 43.42A.020 to provide a complete picture of credential timeliness,
36 fees, and process improvement efforts. The report must be easily
37 accessible and designed in a customer-friendly format.

38 ~~((3))~~ (2) Beginning with the ((2016 report)) 2027 reporting
39 period, the office must identify ((permits)) credentials with

processing and decision times that are most improved and processing and decision times that are most in need of improvement, as indicated by the performance data collected under RCW 43.42A.020. Each agency may include a statement describing any process improvements the agency has identified for implementation in order to improve processing and decision times.

NEW SECTION. **Sec. 6.** A new section is added to chapter 43.42A RCW to read as follows:

(1) After consultation with the office and the governor's office, each cabinet agency shall establish efficient and appropriate deadlines for the time to review and make a final decision on completed applications for each type of credential as follows:

(a) 25 percent of the agency's credentials by January 1, 2027;

(b) 50 percent of the agency's credentials by January 1, 2028;

(c) 75 percent of the agency's credentials by January 1, 2029;

and

(d) 100 percent of the agency's credentials by January 1, 2030.

(2) These deadlines constitute the published decision time and must be made publicly available through the central repository established under RCW 43.42A.030.

(3) Unless prohibited or restricted by the state or federal statute authorizing the agency to issue the credential, the agency shall refund the application fee if the agency fails to meet its published decision time after receiving a completed application. If the agency does not impose an application fee, no refund is required. Fees received by the energy facility site evaluation council under RCW 80.50.071 or other statutory reimbursement programs are not subject to refund. A refund shall not affect the final disposition of the application. Refunds must be reported as part of the agency performance data submitted under RCW 43.42A.020.

(4) Information required under this section must be incorporated into the performance reports and central repository postings required under RCW 43.42A.020 and 43.42A.030.

(5) The office may, at its discretion, exclude any credentials from the refund provisions of this section or grant additional time to establish processing time deadlines.

NEW SECTION. **Sec. 7.** A new section is added to chapter 43.42A RCW to read as follows:

1 The office shall establish guidance for agencies on the reporting
2 requirements in this chapter, including how to calculate reporting
3 metrics, approved alternative processing or reporting methodologies,
4 and circumstances where data may be excluded. The office may approve
5 exceptions proposed by agencies when necessary to ensure accuracy,
6 accommodate statutory timelines, or reflect program-specific
7 operational requirements. Guidance adopted under this section applies
8 to all reporting and performance requirements under this chapter.

--- **END** ---