

Permitting Reform

2SSB 5290 As Passed by Law



With permit delays currently adding as much as \$31,000 to the cost of a new home, BIAW made permit reform a top priority in the 2023 session.

Interior Remodel Streamlining

Project permit applications for interior remodeling projects must be exempted from site plan review unless they:

- Result in new sleeping quarters
- Fail to conform with federal emergency management agency substantial improvement thresholds
- Increase the total square footage or valuation of the structure, which would require upgraded fire access or fire suppression systems

Project Permit Applications – Determination of Completeness

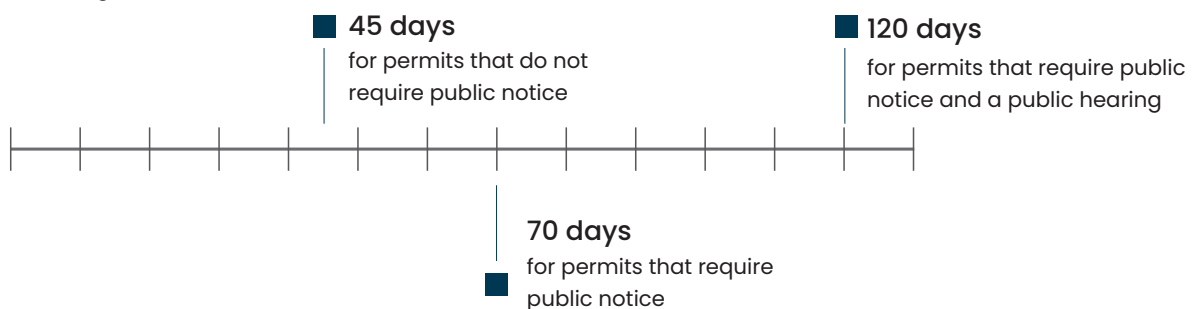
Cities or counties fully planned under the Growth Management Act (GMA) must provide a written determination to permit applicants stating whether the project is complete or not within 20 business days of receiving a project permit application.

If incomplete, the notice must outline the changes necessary to make the application procedurally complete. If the jurisdiction pauses review, they must provide written notice to the applicant explaining why they paused review.

If the local government fails to provide a written determination of incompleteness by the 29th calendar day after receiving the application, the application shall be deemed complete.

Permit Timelines

The time periods should not exceed the following unless modified by the local government.



Permit Reform and Refunds – Development Regulations

Local governments can choose to:

- Adopt and implement three best permit processing options from a list in statute
- Refund a portion of permit fees if they exceed permit timelines

Best practices adoption

- Expediting project permit application review for projects consistent with adopted development regulations
- Entering into interlocal agreements with other jurisdictions to share permitting staff and resources
- Maintaining and budgeting for on-call permitting assistance to meet workload challenges
- Budgeting new positions contingent on increased permit revenue
- Making preapplication meetings optional rather than required as part of applying for a permit
- Aligning public hearing requirements for permit applications with state law
- Adopting development regulations which make housing types an outright permitted use in all zones where the housing type is permitted
- Allowing outside professionals with appropriate professional licenses to certify components of applications consistent with their license

Permit refunds

Local government must refund:

- **10%** of the permit fees if the final decision on the project permit application was made after the deadline but before 20 percent of the time allowed under the original timeline passes. Ex: If a local government fails to issue a decision in 70 days as required for permits requiring public notice, but makes the decision within 83 days, they must refund 10% of the permit fees.
- **20%** of the permit fees if the period from when the deadline passed to when the final decision was issued exceeded 20 percent of the original time period allowed. Ex. If a decision is required within 70 days, and the local government makes a decision any time after 84 days, they must refund 20% of the fees.

Rather than processing refunds, local governments may collect 80 percent of the permit fees up front and collect the remaining balance when they meet the permitting deadlines.

If a jurisdiction who chooses the best permit practices does not meet permit timeliness by 50% over five years, it must adopt three more best practices or is subject to permit application fee refund requirements.

Annual Performance Report

Cities or counties required to establish Urban Growth Capacity Reports under the GMA must produce an annual performance report outlining time periods for certain permit types associated with housing, including:

- Permit timelines for certain permit processes in counties and cities
- The total number of decisions issued during the year for the following permit types:
 - preliminary subdivisions
 - final subdivisions
 - binding site plans
- Permit processes associated with the approval of multifamily housing
- Construction plan review for each of these permit types when submitted separately
- The total number of decisions for each permit type which included consolidated project permit review
- The total number of days:
 - from a submittal to a decision being issued
 - the application was in review with the county or city
 - permit is the responsibility of the applicant

The Department of Commerce must develop a template for jurisdictions to use.

Grant Programs

The Department of Commerce must establish:

- A consolidated permit review grant program for eligible local governments
- 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

Digital Permitting Process Work Group

The Department of Commerce must convene a digital permitting process work group, that includes cities, counties, and building industries, to examine a potential statewide license and permitting software for local governments to encourage streamlined and efficient permit review. The work group must submit a final report to the Legislature by August 2024.

Implementation

The first Annual Performance Report is due March 1, 2025. Section 7 of the bill (development regulations) goes into effect January 1, 2025. After January 1, 2026, a county or city must adopt new ordinances at the time of its next comprehensive plan update under RCW 36.70A.130 if it meets the following conditions:

- The county or city has adopted at least three project review and code provisions under this act more than five years prior
- The county or city is not meeting the permitting deadlines established in RCW 36.70B.080 at least half of the time over the period since its most recent comprehensive plan update under RCW 36.70A.130.

Questions?

Contact BIAW Legislative Director
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