



1 It is the intent of the legislature to promote accountability,  
2 timeliness, and predictability for citizens, business, and state,  
3 federal, and local permitting agencies, and to provide collaboration  
4 and coordination, information, and assistance on the regulatory  
5 process through the creation of the office ((øf)) for regulatory  
6 innovation and assistance in the ((governor's office)) department of  
7 commerce.

8 (2) The office ((øf)) for regulatory innovation and assistance is  
9 created to work to continually improve the function of environmental  
10 and business regulatory processes by identifying conflicts and  
11 overlap in the state's rules, statutes, and operational practices; to  
12 ensure ongoing coordination among regulatory agencies, reducing costs  
13 for both government and business; the office is to provide project  
14 proponents and business owners with active assistance for all  
15 permitting, licensing, and other regulatory procedures required for  
16 completion of specific projects; and the office is to ensure that  
17 citizens, businesses, and local governments have access to, and clear  
18 information regarding, regulatory processes for permitting and  
19 business regulation, including state rules, permit and license  
20 requirements, and agency rule-making processes.

21 (3) The legislature declares that the purpose of this chapter is  
22 to provide direction, practical resources, and a range of innovative  
23 and optional service delivery options for improving the regulatory  
24 process and for providing assistance through the regulatory process  
25 on individual projects in furtherance of the state's goals of  
26 governmental transparency and accountability.

27 (4) The legislature intends that establishing an office ((øf))  
28 for regulatory innovation and assistance will provide these services  
29 without abrogating or limiting the authority of any agency to make  
30 decisions on permits, licenses, regulatory requirements, or agency  
31 rule making. The legislature further intends that the office ((øf))  
32 for regulatory innovation and assistance shall have authority to  
33 provide services but shall not have any authority to make decisions  
34 on permits.

35 **Sec. 2.** RCW 43.42.010 and 2012 c 196 s 1 are each amended to  
36 read as follows:

37 (1) The office ((øf)) for regulatory innovation and assistance is  
38 created as a program in the ((office of financial management and must  
39 be administered by the office of the governor)) department of

1 commerce to help improve the regulatory system and assist citizens,  
2 businesses, and project proponents.

3 ~~(2) ((The governor must appoint a director. The director may~~  
4 ~~employ a deputy director and a confidential secretary and such staff~~  
5 ~~as are necessary, or contract with another state agency pursuant to~~  
6 ~~chapter 39.34 RCW for support in carrying out the purposes of this~~  
7 ~~chapter.~~

8 ~~(3))~~) The office must offer to:

9 (a) Act as the central point of contact for the project proponent  
10 in communicating about defined issues;

11 (b) Conduct project scoping as provided in RCW 43.42.050;

12 (c) Verify that the project proponent has all the information  
13 needed to correctly apply for all necessary permits;

14 (d) Provide general coordination services;

15 (e) Coordinate the efficient completion among participating  
16 agencies of administrative procedures, such as collecting fees or  
17 providing public notice;

18 (f) Maintain contact with the project proponent and the permit  
19 agencies to promote adherence to agreed schedules;

20 (g) Assist in resolving any conflict or inconsistency among  
21 permit requirements and conditions;

22 (h) Coordinate, to the extent practicable, with relevant federal  
23 permit agencies and tribal governments;

24 (i) Facilitate meetings;

25 (j) Manage a fully coordinated permit process, as provided in RCW  
26 43.42.060; and

27 (k) Help local jurisdictions comply with the requirements of  
28 chapter 36.70B RCW.

29 ~~((4))~~) (3) The office must also:

30 (a) Provide information to local jurisdictions about best  
31 permitting practices, methods to improve communication with, and  
32 solicit early involvement of, state agencies when needed, and  
33 effective means of assessing and communicating expected project  
34 timelines and costs;

35 (b) Maintain and furnish information as provided in RCW  
36 43.42.040; and

37 (c) Provide the following by September 1, 2009, and biennially  
38 thereafter, to the governor and the appropriate committees of the  
39 legislature:

40 (i) A performance report including:

1 (A) Information regarding use of the office's voluntary cost-  
2 reimbursement services as provided in RCW 43.42.070;

3 (B) The number and type of projects or initiatives where the  
4 office provided services including the key agencies with which the  
5 office partnered;

6 (C) Specific information on any difficulty encountered in  
7 providing services or implementing programs, processes, or assistance  
8 tools; and

9 (D) Trend reporting that allows comparisons between statements of  
10 goals and performance targets and the achievement of those goals and  
11 targets; and

12 (ii) Recommendations on system improvements including, but not  
13 limited to, recommendations on improving environmental permitting by  
14 making it more time efficient and cost-effective for all participants  
15 in the process.

16 (4) The office must also develop a long-term strategy for  
17 identifying and prioritizing multiagency regulatory processes that  
18 can be streamlined through better coordination. The long-term  
19 strategy for identifying and prioritizing multiagency regulatory  
20 processes that can be streamlined through better coordination must be  
21 based on the potential for mutual benefits for industry and the  
22 public, as determined by a group made up of representatives from  
23 businesses, state agencies, local governments, tribal governments,  
24 and other relevant stakeholders consulting with the office. The group  
25 must work collaboratively with the office to consider the importance  
26 of these processes to the state, as well as consider the potential  
27 costs and savings to affected entities. The office must report to the  
28 governor and the economic development committees of the legislature  
29 annually on the progress of prioritized regulatory processes being  
30 streamlined through coordination.

31 **Sec. 3.** RCW 43.42.030 and 2009 c 97 s 3 are each amended to read  
32 as follows:

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

35 (1) "Director" means the director of the (~~office of regulatory~~  
36 ~~assistance~~) department of commerce or the director's designee.

37 (2) "Fully coordinated permit process" means a comprehensive  
38 coordinated permitting assistance approach supported by a written  
39 agreement between the project proponent, the office (~~of~~) for

1 regulatory innovation and assistance, and the agencies participating  
2 in the fully coordinated permit process.

3 (3) "General coordination services" means services that bring  
4 interested parties together to explore opportunities for cooperation  
5 and to resolve conflicts. General coordination services may be  
6 provided as a stand-alone event or as an element of broader project  
7 assistance, nonproject-related interagency coordination, or policy  
8 and planning teamwork.

9 (4) "Office" means the office ((øf)) for regulatory innovation  
10 and assistance established in RCW 43.42.010.

11 (5) "Permit" means any permit, license, certificate, use  
12 authorization, or other form of governmental review or approval  
13 required in order to construct, expand, or operate a project in the  
14 state of Washington.

15 (6) "Permit agency" means any state, local, or federal agency  
16 authorized by law to issue permits.

17 (7) "Project" means any activity, the conduct of which requires a  
18 permit or permits from one or more permit agencies.

19 (8) "Project proponent" means a citizen, business, or any entity  
20 applying for or seeking a permit or permits in the state of  
21 Washington.

22 (9) "Project scoping" means the identification of relevant issues  
23 and information needs of a project proponent and the permitting  
24 agencies, and reaching a common understanding regarding the process,  
25 timing, and sequencing for obtaining applicable permits.

26 **Sec. 4.** RCW 43.42.090 and 2010 c 162 s 2 are each amended to  
27 read as follows:

28 (1) The legislature finds that the state of Washington has  
29 implemented a number of successful measures to streamline,  
30 coordinate, and consolidate the multiparty, multijurisdictional  
31 permitting and regulatory decision-making process. The office ((øf))  
32 for regulatory innovation and assistance was developed and  
33 implemented at a time when the state faced a crisis in its economic  
34 competitiveness. The multiagency permitting team for transportation  
35 was developed and implemented at a time when the state's  
36 transportation system faced a crisis in public confidence concerning  
37 transportation project delivery. The legislature further finds that  
38 the state of Washington is now facing an economic and financial  
39 crisis that requires immediate action to spur economic development

1 and the creation of jobs without sacrificing the quality of the  
2 state's environment.

3 (2) The legislature intends to:

4 (a) Draw from and extend the benefits of proven permit  
5 streamlining solutions to future project proponents and aid the  
6 state's recovery by authorizing optional multiagency permitting teams  
7 modeled after the multiagency permitting team developed and  
8 implemented for state transportation projects. It is the purpose of  
9 chapter 162, Laws of 2010 to provide willing permit applicants and  
10 project proponents with permit coordination and integrated regulatory  
11 decision-making services on a cost-reimbursed basis; and

12 (b) Phase-in a revenue-neutral permit streamlining approach to  
13 expedite permit and regulatory decision making while ensuring a high  
14 level of environmental protection.

15 **Sec. 5.** RCW 43.42.092 and 2010 c 162 s 3 are each amended to  
16 read as follows:

17 (1)(a) The office ((øf)) for regulatory innovation and assistance  
18 is authorized to develop and advertise the availability of optional  
19 multiagency permitting teams to provide coordinated permitting and  
20 integrated regulatory decision making starting in the Puget Sound  
21 basin.

22 (b) New expenses associated with operating the optional  
23 multiagency permitting teams must be recovered by the office ((øf))  
24 for regulatory innovation and assistance using existing state cost-  
25 reimbursement and interagency cost-sharing authorities as applicable.  
26 The cost-reimbursement process is subject to the requirements and  
27 limitations set forth in RCW 43.42.070. Initial administrative costs  
28 and other costs that may not be recoverable through cost-  
29 reimbursement or cost-sharing mechanisms may be covered by funds from  
30 the multiagency permitting team account created in RCW 43.42.095.

31 (c) The director of the office ((øf)) for regulatory innovation  
32 and assistance must solicit donations and such other funds as the  
33 director deems appropriate from public and private sources for the  
34 purposes of covering the initial administrative costs and other costs  
35 associated with operation of optional multiagency permitting teams  
36 which are not recoverable through cost-reimbursement or cost-sharing  
37 mechanisms. All such solicited funds must be placed in the  
38 multiagency permitting team account created in RCW 43.42.095.

39 (2) Optional multiagency permitting teams must be:

1 (a) Mobile, capable of traveling or working together as teams,  
2 initially throughout the Puget Sound basin;

3 (b) Located initially in central Puget Sound;

4 (c) Staffed by appropriate senior-level permitting and regulatory  
5 decision-making personnel representing the Washington state  
6 departments of ecology, fish and wildlife, and natural resources and  
7 having expertise in regulatory issues relating to the project; and

8 (d) Managed by the office ((øf)) for regulatory innovation and  
9 assistance through a team leader responsible for:

10 (i) Managing or monitoring team activities to ensure the  
11 cost-reimbursement schedule and agreement is followed;

12 (ii) Developing and maintaining partnerships and working  
13 relationships with local, state, tribal, and federal organizations  
14 not core to the optional multiagency permitting teams that can be  
15 called upon to join the team on a project-by-project basis;

16 (iii) Developing, defining, and providing a set of coordinated  
17 permitting and integrated decision-making services consistent with  
18 those set forth in subsection (3) of this section;

19 (iv) Developing and executing funding agreements with applicants,  
20 project proponents, regulatory agencies, and others as necessary to  
21 ensure the financial viability of the optional multiagency permitting  
22 teams;

23 (v) Measuring and regularly reporting on team performance,  
24 results and outcomes achieved, including improved: Permitting  
25 predictability, interagency early project coordination, interagency  
26 accessibility, interagency relationships, project delivery, and  
27 environmental results, including the avoidance or prevention of  
28 environmental harm and the effectiveness of mitigation;

29 (vi) Conducting outreach, marketing, and advertising of team  
30 services and team availability, focusing initially on projects such  
31 as large-scale public, private, and port development projects with  
32 complex aquatics, wetland, or other environmental impacts;  
33 environmental cleanup, restoration, and enhancement projects;  
34 aquaculture projects; and energy, power generation, and utility  
35 projects;

36 (vii) Implementing issue and dispute resolution protocols;

37 (viii) Incorporating and using virtual tools for online  
38 collaboration to support permitting and regulatory coordination and  
39 expedited decision making; and

1 (ix) Extending and subsequently implementing the optional  
2 multiagency permitting team approach to other significant geographic  
3 regions of the state.

4 (3) The optional multiagency permitting teams must at a minimum  
5 work with the office ((ef)) for regulatory innovation and assistance  
6 to provide the following core services:

7 (a) Project scoping, as set forth in RCW 43.42.050 (1) through  
8 (4), to help applicants identify applicable permits and regulatory  
9 approvals;

10 (b) A preapplication coordination service, which may be combined  
11 with project scoping, to help applicants understand applicable  
12 requirements and plan out with the assistance of the regulatory  
13 agencies an optimally sequenced permitting and regulatory decision-  
14 making strategy and approach for the overall project;

15 (c) Fully coordinated project review as set forth in RCW  
16 43.42.060 to set schedules and agreed-upon time frames for the  
17 applicant and regulatory decision makers consistent with statutory  
18 requirements and with regard to available agency resources and to  
19 track, monitor, and report progress made in meeting those schedules  
20 and time frames;

21 (d) Mitigation coordination to help applicants and regulatory  
22 agencies collaborate on and implement mitigation obligations within a  
23 watershed context so superior environmental results can be achieved  
24 when impacts cannot be avoided or further minimized.

25 (4) Local and federal permitting and regulatory personnel should  
26 be incorporated into the optional multiagency permitting teams  
27 whenever possible and at least on a project-by-project basis. Moneys  
28 recouped through state cost-reimbursement and interagency cost-  
29 sharing authorities, or as otherwise solicited for deposit into the  
30 multiagency permitting team account created in RCW 43.42.095, may  
31 also be used to cover local and federal participation.

32 (5) The optional multiagency permitting teams will provide  
33 services for complex projects requiring multiple permits and  
34 regulatory approvals and having multiple points of regulatory  
35 jurisdiction. The optional multiagency permitting teams are not  
36 intended to support state transportation projects capable of being  
37 serviced by multiagency permitting teams specifically established for  
38 state transportation projects. Use of the optional multiagency  
39 permitting teams for a fully coordinated permit process must be  
40 allowed unless the office ((ef)) for regulatory innovation and

1 assistance notifies a project proponent in writing of other means of  
2 effective and efficient project review that are available and are  
3 recommended.

4 **Sec. 6.** RCW 43.42.095 and 2012 c 196 s 5 are each amended to  
5 read as follows:

6 The multiagency permitting team account is created in the custody  
7 of the state treasurer. All receipts from cost-reimbursement  
8 agreements authorized in RCW 43.42.070 and solicitations authorized  
9 in RCW 43.42.092 must be deposited into the account. Expenditures  
10 from the account may be used only for covering staffing, consultant,  
11 technology, and other administrative costs of multiagency permitting  
12 teams and other costs associated with multiagency project review and  
13 management that may arise. Only the director of the (~~office of~~  
14 ~~regulatory assistance~~) department of commerce or the director's  
15 designee may authorize expenditures from the account. The account is  
16 subject to allotment procedures under chapter 43.88 RCW, but an  
17 appropriation is not required for expenditures.

18 **Sec. 7.** RCW 43.42.100 and 2012 c 196 s 8 are each amended to  
19 read as follows:

20 Within available funds, the office (~~of~~) for regulatory  
21 innovation and assistance may certify permit processes at the local  
22 level as streamlined processes. In developing the certification  
23 program, the director must work with local jurisdictions to establish  
24 the criteria and the process for certification. Jurisdictions with  
25 permit processes certified as streamlined may receive priority in  
26 receipt of state funds for infrastructure projects.

27 **Sec. 8.** RCW 34.05.320 and 2012 c 210 s 2 are each amended to  
28 read as follows:

29 (1) At least twenty days before the rule-making hearing at which  
30 the agency receives public comment regarding adoption of a rule, the  
31 agency shall cause notice of the hearing to be published in the state  
32 register. The publication constitutes the proposal of a rule. The  
33 notice shall include all of the following:

34 (a) A title, a description of the rule's purpose, and any other  
35 information which may be of assistance in identifying the rule or its  
36 purpose;

1 (b) Citations of the statutory authority for adopting the rule  
2 and the specific statute the rule is intended to implement;

3 (c) A short explanation of the rule, its purpose, and anticipated  
4 effects, including in the case of a proposal that would modify  
5 existing rules, a short description of the changes the proposal would  
6 make, and a statement of the reasons supporting the proposed action;

7 (d) The agency personnel, with their office location and  
8 telephone number, who are responsible for the drafting,  
9 implementation, and enforcement of the rule;

10 (e) The name of the person or organization, whether private,  
11 public, or governmental, proposing the rule;

12 (f) Agency comments or recommendations, if any, regarding  
13 statutory language, implementation, enforcement, and fiscal matters  
14 pertaining to the rule;

15 (g) Whether the rule is necessary as the result of federal law or  
16 federal or state court action, and if so, a citation to such law or  
17 court decision;

18 (h) When, where, and how persons may present their views on the  
19 proposed rule;

20 (i) The date on which the agency intends to adopt the rule;

21 (j) A copy of the small business economic impact statement  
22 prepared under chapter 19.85 RCW, or a copy of the school district  
23 fiscal impact statement under RCW 28A.305.135 in the case of the  
24 state board of education, or an explanation for why the agency did  
25 not prepare the statement;

26 (k) A statement indicating whether RCW 34.05.328 applies to the  
27 rule adoption; and

28 (l) If RCW 34.05.328 does apply, a statement indicating that a  
29 copy of the preliminary cost-benefit analysis described in RCW  
30 34.05.328(1)(c) is available.

31 (2)((+)) Upon filing notice of the proposed rule with the code  
32 reviser, the adopting agency shall have copies of the notice on file  
33 and available for public inspection. Except as provided in (b) of  
34 this subsection, the agency shall forward three copies of the notice  
35 to the rules review committee.

36 ~~((b) A pilot of at least ten agencies, including the departments  
37 of labor and industries, fish and wildlife, revenue, ecology,  
38 retirement systems, and health, shall file the copies required under  
39 this subsection, as well as under RCW 34.05.350 and 34.05.353, with  
40 the rules review committee electronically for a period of four years~~

1 ~~from June 10, 2004. The office of regulatory assistance shall~~  
2 ~~negotiate the details of the pilot among the agencies, the~~  
3 ~~legislature, and the code reviser.))~~

4 (3) No later than three days after its publication in the state  
5 register, the agency shall cause either a copy of the notice of  
6 proposed rule adoption, or a summary of the information contained on  
7 the notice, to be mailed to each person, city, and county that has  
8 made a request to the agency for a mailed copy of such notices. An  
9 agency may charge for the actual cost of providing a requesting party  
10 mailed copies of these notices.

11 (4) In addition to the notice required by subsections (1) and (2)  
12 of this section, an institution of higher education shall cause the  
13 notice to be published in the campus or standard newspaper of the  
14 institution at least seven days before the rule-making hearing.

15 **Sec. 9.** RCW 34.05.328 and 2011 c 298 s 21 and 2011 c 149 s 1 are  
16 each reenacted and amended to read as follows:

17 (1) Before adopting a rule described in subsection (5) of this  
18 section, an agency must:

19 (a) Clearly state in detail the general goals and specific  
20 objectives of the statute that the rule implements;

21 (b) Determine that the rule is needed to achieve the general  
22 goals and specific objectives stated under (a) of this subsection,  
23 and analyze alternatives to rule making and the consequences of not  
24 adopting the rule;

25 (c) Provide notification in the notice of proposed rule making  
26 under RCW 34.05.320 that a preliminary cost-benefit analysis is  
27 available. The preliminary cost-benefit analysis must fulfill the  
28 requirements of the cost-benefit analysis under (d) of this  
29 subsection. If the agency files a supplemental notice under RCW  
30 34.05.340, the supplemental notice must include notification that a  
31 revised preliminary cost-benefit analysis is available. A final cost-  
32 benefit analysis must be available when the rule is adopted under RCW  
33 34.05.360;

34 (d) Determine that the probable benefits of the rule are greater  
35 than its probable costs, taking into account both the qualitative and  
36 quantitative benefits and costs and the specific directives of the  
37 statute being implemented;

38 (e) Determine, after considering alternative versions of the rule  
39 and the analysis required under (b), (c), and (d) of this subsection,

1 that the rule being adopted is the least burdensome alternative for  
2 those required to comply with it that will achieve the general goals  
3 and specific objectives stated under (a) of this subsection;

4 (f) Determine that the rule does not require those to whom it  
5 applies to take an action that violates requirements of another  
6 federal or state law;

7 (g) Determine that the rule does not impose more stringent  
8 performance requirements on private entities than on public entities  
9 unless required to do so by federal or state law;

10 (h) Determine if the rule differs from any federal regulation or  
11 statute applicable to the same activity or subject matter and, if so,  
12 determine that the difference is justified by the following:

13 (i) A state statute that explicitly allows the agency to differ  
14 from federal standards; or

15 (ii) Substantial evidence that the difference is necessary to  
16 achieve the general goals and specific objectives stated under (a) of  
17 this subsection; and

18 (i) Coordinate the rule, to the maximum extent practicable, with  
19 other federal, state, and local laws applicable to the same activity  
20 or subject matter.

21 (2) In making its determinations pursuant to subsection (1)(b)  
22 through (h) of this section, the agency must place in the rule-making  
23 file documentation of sufficient quantity and quality so as to  
24 persuade a reasonable person that the determinations are justified.

25 (3) Before adopting rules described in subsection (5) of this  
26 section, an agency must place in the rule-making file a rule  
27 implementation plan for rules filed under each adopting order. The  
28 plan must describe how the agency intends to:

29 (a) Implement and enforce the rule, including a description of  
30 the resources the agency intends to use;

31 (b) Inform and educate affected persons about the rule;

32 (c) Promote and assist voluntary compliance; and

33 (d) Evaluate whether the rule achieves the purpose for which it  
34 was adopted, including, to the maximum extent practicable, the use of  
35 interim milestones to assess progress and the use of objectively  
36 measurable outcomes.

37 (4) After adopting a rule described in subsection (5) of this  
38 section regulating the same activity or subject matter as another  
39 provision of federal or state law, an agency must do all of the  
40 following:

1 (a) Coordinate implementation and enforcement of the rule with  
2 the other federal and state entities regulating the same activity or  
3 subject matter by making every effort to do one or more of the  
4 following:

- 5 (i) Deferring to the other entity;
- 6 (ii) Designating a lead agency; or
- 7 (iii) Entering into an agreement with the other entities  
8 specifying how the agency and entities will coordinate implementation  
9 and enforcement.

10 If the agency is unable to comply with this subsection (4)(a),  
11 the agency must report to the legislature pursuant to (b) of this  
12 subsection;

13 (b) Report to the joint administrative rules review committee:

14 (i) The existence of any overlap or duplication of other federal  
15 or state laws, any differences from federal law, and any known  
16 overlap, duplication, or conflict with local laws; and

17 (ii) Make recommendations for any legislation that may be  
18 necessary to eliminate or mitigate any adverse effects of such  
19 overlap, duplication, or difference.

20 (5)(a) Except as provided in (b) of this subsection, this section  
21 applies to:

22 (i) Significant legislative rules of the departments of ecology,  
23 labor and industries, health, revenue, social and health services,  
24 and natural resources, the employment security department, the forest  
25 practices board, the office of the insurance commissioner, and to the  
26 legislative rules of the department of fish and wildlife implementing  
27 chapter 77.55 RCW; and

28 (ii) Any rule of any agency, if this section is voluntarily made  
29 applicable to the rule by the agency, or is made applicable to the  
30 rule by a majority vote of the joint administrative rules review  
31 committee within forty-five days of receiving the notice of proposed  
32 rule making under RCW 34.05.320.

33 (b) This section does not apply to:

34 (i) Emergency rules adopted under RCW 34.05.350;  
35 (ii) Rules relating only to internal governmental operations that  
36 are not subject to violation by a nongovernment party;

37 (iii) Rules adopting or incorporating by reference without  
38 material change federal statutes or regulations, Washington state  
39 statutes, rules of other Washington state agencies, shoreline master  
40 programs other than those programs governing shorelines of statewide

1 significance, or, as referenced by Washington state law, national  
2 consensus codes that generally establish industry standards, if the  
3 material adopted or incorporated regulates the same subject matter  
4 and conduct as the adopting or incorporating rule;

5 (iv) Rules that only correct typographical errors, make address  
6 or name changes, or clarify language of a rule without changing its  
7 effect;

8 (v) Rules the content of which is explicitly and specifically  
9 dictated by statute;

10 (vi) Rules that set or adjust fees under the authority of RCW  
11 19.02.075 or that set or adjust fees or rates pursuant to legislative  
12 standards, including fees set or adjusted under the authority of RCW  
13 19.80.045;

14 (vii) Rules of the department of social and health services  
15 relating only to client medical or financial eligibility and rules  
16 concerning liability for care of dependents; or

17 (viii) Rules of the department of revenue that adopt a uniform  
18 expiration date for reseller permits as authorized in RCW 82.32.780  
19 and 82.32.783.

20 (c) For purposes of this subsection:

21 (i) A "procedural rule" is a rule that adopts, amends, or repeals  
22 (A) any procedure, practice, or requirement relating to any agency  
23 hearings; (B) any filing or related process requirement for making  
24 application to an agency for a license or permit; or (C) any policy  
25 statement pertaining to the consistent internal operations of an  
26 agency.

27 (ii) An "interpretive rule" is a rule, the violation of which  
28 does not subject a person to a penalty or sanction, that sets forth  
29 the agency's interpretation of statutory provisions it administers.

30 (iii) A "significant legislative rule" is a rule other than a  
31 procedural or interpretive rule that (A) adopts substantive  
32 provisions of law pursuant to delegated legislative authority, the  
33 violation of which subjects a violator of such rule to a penalty or  
34 sanction; (B) establishes, alters, or revokes any qualification or  
35 standard for the issuance, suspension, or revocation of a license or  
36 permit; or (C) adopts a new, or makes significant amendments to, a  
37 policy or regulatory program.

38 (d) In the notice of proposed rule making under RCW 34.05.320, an  
39 agency must state whether this section applies to the proposed rule

1 pursuant to (a)(i) of this subsection, or if the agency will apply  
2 this section voluntarily.

3 (6) By (~~January 31, 1996, and by~~) January 31st of each even-  
4 numbered year (~~thereafter~~), the office (~~of~~) for regulatory  
5 innovation and assistance, after consulting with state agencies,  
6 counties, and cities, and business, labor, and environmental  
7 organizations, must report to the governor and the legislature  
8 regarding the effects of this section on the regulatory system in  
9 this state. The report must document:

10 (a) The rules proposed to which this section applied and to the  
11 extent possible, how compliance with this section affected the  
12 substance of the rule, if any, that the agency ultimately adopted;

13 (b) The costs incurred by state agencies in complying with this  
14 section;

15 (c) Any legal action maintained based upon the alleged failure of  
16 any agency to comply with this section, the costs to the state of  
17 such action, and the result;

18 (d) The extent to which this section has adversely affected the  
19 capacity of agencies to fulfill their legislatively prescribed  
20 mission;

21 (e) The extent to which this section has improved the  
22 acceptability of state rules to those regulated; and

23 (f) Any other information considered by the office of financial  
24 management to be useful in evaluating the effect of this section.

25 **Sec. 10.** RCW 43.30.550 and 2012 1st sp.s. c 1 s 208 are each  
26 amended to read as follows:

27 (1) By December 31, 2013, the department must make examples of  
28 complete, high quality forest practices applications and the  
29 resulting approvals readily available to the public on its internet  
30 site, as well as the internet site of the office (~~of~~) for  
31 regulatory innovation and assistance established in RCW 43.42.010.  
32 The department must maximize assistance to the public and interested  
33 parties by seeking to make readily available examples from forest  
34 practices that generate significant permitting activity or frequent  
35 questions.

36 (2) The department must regularly review and update the examples  
37 required to be made available on the internet under subsection (1) of  
38 this section.

1 (3) The department must obtain the written permission of an  
2 applicant before making publicly available that applicant's  
3 application or approval under this section and must work  
4 cooperatively with the applicant to ensure that no personal or  
5 proprietary information is made available.

6 **Sec. 11.** RCW 43.42A.030 and 2014 c 68 s 4 are each amended to  
7 read as follows:

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

13 (a) A list of the types of permit assistance available and how  
14 such assistance may be accessed;

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

17 (c) Other tools to help applicants successfully complete a  
18 thorough application, such as:

19 (i) Examples of model completed applications;

20 (ii) Examples of approved applications, appropriately redacted to  
21 remove sensitive information; and

22 (iii) Checklists for ensuring a complete application.

23 (2) Each agency shall update at reasonable intervals the  
24 information it posts pursuant to this section.

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

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

32 (c) The agency shall post the estimates of application completion  
33 and permit decision times required under subsection (1)(b) of this  
34 section based on actual data for calendar year 2015 by March 1, 2016,  
35 and update this information for the previous calendar year, by March  
36 1st of each year thereafter.

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

1 (4) To ensure agencies can post the required information online  
2 with minimal expenditure of agency resources, the office of the chief  
3 information officer shall, in consultation with the office ((øf)) for  
4 regulatory innovation and assistance, establish a central repository  
5 of this information, hosted on the office ((øf)) for regulatory  
6 innovation and assistance's web site. Each agency shall include at  
7 least one link to the central repository from the agency's web site.  
8 Agencies shall place the link or links in such locations as the  
9 agency deems will be most customer-friendly and maximize  
10 accessibility of the information to users of the web site.

11 (5) The office shall ensure the searchability of the information  
12 posted on the central repository, applying industry best practices  
13 such as search engine optimization, to ensure that the permit  
14 performance and assistance information is readily findable and  
15 accessible by members of the public.

16 **Sec. 12.** RCW 43.88.585 and 2013 c 63 s 1 are each amended to  
17 read as follows:

18 (1) By January 1, 2014, the office of financial management shall  
19 compile, maintain, and periodically update an inventory of all fees  
20 imposed by state agencies and institutions of higher education  
21 pursuant to statute or administrative rule. At a minimum, the  
22 inventory shall identify the agency or institution collecting the  
23 fee, the purpose of the fee, the current amount of the fee, the  
24 amount of the fee over the previous five years, and the statutory  
25 authority for the fee. The office of financial management may  
26 aggregate or consolidate fee information when there is commonality  
27 among the fee payers or the purposes for which the fee is paid.

28 (2) To facilitate the fee inventory under this section, each  
29 state agency and institution of higher education shall report the  
30 information required under subsection (1) of this section to the  
31 office of financial management and shall update the information at  
32 least every two years.

33 (3) The fee inventory under this section shall be incorporated  
34 into the state expenditure information web site maintained by the  
35 legislative evaluation and accountability program committee under RCW  
36 44.48.150.

37 (4) The office of financial management shall convene a work group  
38 consisting of representatives from the legislative evaluation and  
39 accountability program committee, the office ((øf)) for regulatory

1 innovation and assistance, the department of licensing, the  
2 department of labor and industries, the department of transportation,  
3 and the department of health to develop a process to facilitate more  
4 frequent updates to the inventory and to recommend changes to  
5 increase public accessibility.

6 (5) For purposes of this section, "fee" means any charge, fixed  
7 by law or administrative rule, for the benefit of a service or to  
8 cover the cost of a regulatory program or the costs of administering  
9 a program for which the fee payer benefits. "Fee" does not include  
10 taxes; penalties or fines; intergovernmental charges; commercial  
11 charges; pension or health care contributions or rates; industrial,  
12 unemployment, or other state-operated insurance programs; or  
13 individualized cost recoveries.

14 **Sec. 13.** RCW 43.155.070 and 2015 3rd sp.s. c 3 s 7033 are each  
15 amended to read as follows:

16 (1) To qualify for financial assistance under this chapter the  
17 board must determine that a local government meets all of the  
18 following conditions:

19 (a) The city or county must be imposing a tax under chapter 82.46  
20 RCW at a rate of at least one-quarter of one percent;

21 (b) The local government must have developed a capital facility  
22 plan; and

23 (c) The local government must be using all local revenue sources  
24 which are reasonably available for funding public works, taking into  
25 consideration local employment and economic factors.

26 (2) Except where necessary to address a public health need or  
27 substantial environmental degradation, a county, city, or town  
28 planning under RCW 36.70A.040 may not receive financial assistance  
29 under this chapter unless it has adopted a comprehensive plan,  
30 including a capital facilities plan element, and development  
31 regulations as required by RCW 36.70A.040. This subsection does not  
32 require any county, city, or town planning under RCW 36.70A.040 to  
33 adopt a comprehensive plan or development regulations before  
34 requesting or receiving financial assistance under this chapter if  
35 such request is made before the expiration of the time periods  
36 specified in RCW 36.70A.040. A county, city, or town planning under  
37 RCW 36.70A.040 that has not adopted a comprehensive plan and  
38 development regulations within the time periods specified in RCW  
39 36.70A.040 may apply for and receive financial assistance under this

1 chapter if the comprehensive plan and development regulations are  
2 adopted as required by RCW 36.70A.040 before executing a contractual  
3 agreement for financial assistance with the board.

4 (3) In considering awarding financial assistance for public  
5 facilities to special districts requesting funding for a proposed  
6 facility located in a county, city, or town planning under RCW  
7 36.70A.040, the board must consider whether the county, city, or town  
8 planning under RCW 36.70A.040 in whose planning jurisdiction the  
9 proposed facility is located has adopted a comprehensive plan and  
10 development regulations as required by RCW 36.70A.040.

11 (4) The board must develop a priority process for public works  
12 projects as provided in this section. The intent of the priority  
13 process is to maximize the value of public works projects  
14 accomplished with assistance under this chapter. The board must  
15 attempt to assure a geographical balance in assigning priorities to  
16 projects. The board must consider at least the following factors in  
17 assigning a priority to a project:

18 (a) Whether the local government receiving assistance has  
19 experienced severe fiscal distress resulting from natural disaster or  
20 emergency public works needs;

21 (b) Except as otherwise conditioned by RCW 43.155.110, whether  
22 the entity receiving assistance is a Puget Sound partner, as defined  
23 in RCW 90.71.010;

24 (c) Whether the project is referenced in the action agenda  
25 developed by the Puget Sound partnership under RCW 90.71.310;

26 (d) Whether the project is critical in nature and would affect  
27 the health and safety of a great number of citizens;

28 (e) Whether the applicant's permitting process has been certified  
29 as streamlined by the office ((ef)) for regulatory innovation and  
30 assistance;

31 (f) Whether the applicant has developed and adhered to guidelines  
32 regarding its permitting process for those applying for development  
33 permits consistent with section 1(2), chapter 231, Laws of 2007;

34 (g) The cost of the project compared to the size of the local  
35 government and amount of loan money available;

36 (h) The number of communities served by or funding the project;

37 (i) Whether the project is located in an area of high  
38 unemployment, compared to the average state unemployment;

39 (j) Whether the project is the acquisition, expansion,  
40 improvement, or renovation by a local government of a public water

1 system that is in violation of health and safety standards, including  
2 the cost of extending existing service to such a system;

3 (k) Except as otherwise conditioned by RCW 43.155.120, and  
4 effective one calendar year following the development of model  
5 evergreen community management plans and ordinances under RCW  
6 35.105.050, whether the entity receiving assistance has been  
7 recognized, and what gradation of recognition was received, in the  
8 evergreen community recognition program created in RCW 35.105.030;

9 (l) The relative benefit of the project to the community,  
10 considering the present level of economic activity in the community  
11 and the existing local capacity to increase local economic activity  
12 in communities that have low economic growth; and

13 (m) Other criteria that the board considers advisable.

14 (5) For the 2015-2017 fiscal biennium, in place of the criteria,  
15 ranking, and submission processes for construction loan lists  
16 provided in subsections (4) and (7) of this section:

17 (a) The board must develop a process for numerically ranking  
18 applications for construction loans submitted by local governments.  
19 The board must consider, at a minimum and in any order, the following  
20 factors in assigning a numerical ranking to a project:

21 (i) Whether the project is critical in nature and would affect  
22 the health and safety of many people;

23 (ii) The extent to which the project leverages nonstate funds;

24 (iii) The extent to which the project is ready to proceed to  
25 construction;

26 (iv) Whether the project is located in an area of high  
27 unemployment, compared to the average state unemployment;

28 (v) Whether the project promotes the sustainable use of resources  
29 and environmental quality;

30 (vi) Whether the project consolidates or regionalizes systems;

31 (vii) Whether the project encourages economic development through  
32 mixed-use and mixed income development consistent with chapter 36.70A  
33 RCW;

34 (viii) Whether the system is being well-managed in the present  
35 and for long-term sustainability;

36 (ix) Achieving equitable distribution of funds by geography and  
37 population;

38 (x) The extent to which the project meets the following state  
39 policy objectives:

40 (A) Efficient use of state resources;

- 1 (B) Preservation and enhancement of health and safety;
- 2 (C) Abatement of pollution and protection of the environment;
- 3 (D) Creation of new, family-wage jobs, and avoidance of shifting
- 4 existing jobs from one Washington state community to another;
- 5 (E) Fostering economic development consistent with chapter 36.70A
- 6 RCW;
- 7 (F) Efficiency in delivery of goods and services, public transit,
- 8 and transportation;
- 9 (G) Avoidance of additional costs to state and local governments
- 10 that adversely impact local residents and small businesses; and
- 11 (H) Reduction of the overall cost of public infrastructure; and
- 12 (xi) Other criteria that the board considers necessary to achieve
- 13 the purposes of this chapter.

14 (b) Before November 1, 2016, the board must develop and submit to

15 the appropriate fiscal committees of the senate and house of

16 representatives a ranked list of qualified public works projects

17 which have been evaluated by the board and are recommended for

18 funding by the legislature. The maximum amount of funding that the

19 board may recommend for any jurisdiction is ten million dollars per

20 biennium. For each project on the ranked list, as well as for

21 eligible projects not recommended for funding, the board must

22 document the numerical ranking that was assigned.

23 (6) Existing debt or financial obligations of local governments

24 may not be refinanced under this chapter. Each local government

25 applicant must provide documentation of attempts to secure additional

26 local or other sources of funding for each public works project for

27 which financial assistance is sought under this chapter.

28 (7) Before November 1st of each even-numbered year, the board

29 must develop and submit to the appropriate fiscal committees of the

30 senate and house of representatives a description of the loans made

31 under RCW 43.155.065, 43.155.068, and subsection (10) of this section

32 during the preceding fiscal year and a prioritized list of projects

33 which are recommended for funding by the legislature, including one

34 copy to the staff of each of the committees. The list must include,

35 but not be limited to, a description of each project and recommended

36 financing, the terms and conditions of the loan or financial

37 guarantee, the local government jurisdiction and unemployment rate,

38 demonstration of the jurisdiction's critical need for the project and

39 documentation of local funds being used to finance the public works

40 project. The list must also include measures of fiscal capacity for

1 each jurisdiction recommended for financial assistance, compared to  
2 authorized limits and state averages, including local government  
3 sales taxes; real estate excise taxes; property taxes; and charges  
4 for or taxes on sewerage, water, garbage, and other utilities.

5 (8) The board may not sign contracts or otherwise financially  
6 obligate funds from the public works assistance account before the  
7 legislature has appropriated funds for a specific list of public  
8 works projects. The legislature may remove projects from the list  
9 recommended by the board. The legislature may not change the order of  
10 the priorities recommended for funding by the board.

11 (9) Subsection (8) of this section does not apply to loans made  
12 under RCW 43.155.065, 43.155.068, and subsection (10) of this  
13 section.

14 (10) Loans made for the purpose of capital facilities plans are  
15 exempted from subsection (8) of this section.

16 (11) To qualify for loans or pledges for solid waste or recycling  
17 facilities under this chapter, a city or county must demonstrate that  
18 the solid waste or recycling facility is consistent with and  
19 necessary to implement the comprehensive solid waste management plan  
20 adopted by the city or county under chapter 70.95 RCW.

21 (12) After January 1, 2010, any project designed to address the  
22 effects of storm water or wastewater on Puget Sound may be funded  
23 under this section only if the project is not in conflict with the  
24 action agenda developed by the Puget Sound partnership under RCW  
25 90.71.310.

26 (13) During the 2015-2017 fiscal biennium, for projects involving  
27 repair, replacement, or improvement of a wastewater treatment plant  
28 or other public works facility for which an investment grade  
29 efficiency audit is obtainable, the public works board must require  
30 as a contract condition that the project sponsor undertake an  
31 investment grade efficiency audit. The project sponsor may finance  
32 the costs of the audit as part of its public works assistance account  
33 program loan.

34 (14)(a) For public works assistance account application rounds  
35 conducted during the 2015-2017 fiscal biennium, the board must  
36 implement policies and procedures designed to maximize local  
37 government use of federal funds to finance local infrastructure  
38 including, but not limited to, drinking water and clean water state  
39 revolving funds operated by the state departments of health and  
40 ecology. Projects that are eligible for the drinking water and clean

1 water state revolving funds may receive public works board  
2 preconstruction loans. Projects that are eligible for the drinking  
3 water and clean water state revolving funds are not eligible for  
4 public works board construction loans. For purposes of this  
5 subsection "eligible for drinking water and clean water state  
6 revolving funds" means:

7 (i) Projects that have applied to the state revolving funds and  
8 are awaiting a funding decision;

9 (ii) Projects that have been rejected for funding solely due to  
10 not meeting readiness requirements; and

11 (iii) Projects that have not applied, but would likely be  
12 eligible if the project applied and met the project readiness  
13 requirements.

14 (b) For all construction loan projects proposed to the  
15 legislature for funding during the 2015-2017 fiscal biennium, the  
16 board must base interest rates on the average daily market interest  
17 rate for tax-exempt municipal bonds as published in the bond buyer's  
18 index for the period from sixty to thirty days before the start of  
19 the application cycle. For projects with a repayment period between  
20 five and twenty years, the rate must be sixty percent of the market  
21 rate. For projects with a repayment period under five years, the rate  
22 must be thirty percent of the market rate. The board must also  
23 provide reduced interest rates, extended repayment periods, or  
24 forgivable principal loans for projects that meet financial hardship  
25 criteria as measured by the affordability index or similar standard  
26 measure of financial hardship.

27 **Sec. 14.** RCW 43.157.020 and 2009 c 421 s 3 are each amended to  
28 read as follows:

29 Counties and cities with development projects designated as  
30 projects of statewide significance within their jurisdictions shall  
31 enter into an agreement with the office ((of)) for regulatory  
32 innovation and assistance and the project managers of projects of  
33 statewide significance for expediting the completion of projects of  
34 statewide significance. The agreement shall require:

35 (1) Expedited permit processing for the design and construction  
36 of the project;

37 (2) Expedited environmental review processing;

38 (3) Expedited processing of requests for street, right-of-way, or  
39 easement vacations necessary for the construction of the project;

1 (4) Participation of local officials on the team assembled under  
2 the requirements of RCW 43.157.030(2)(b); and

3 (5) Such other actions or items as are deemed necessary by the  
4 office ((of)) for regulatory innovation and assistance for the design  
5 and construction of the project.

6 **Sec. 15.** RCW 43.157.030 and 2009 c 421 s 4 are each amended to  
7 read as follows:

8 (1) The department of ((community, trade, and economic  
9 development)) commerce shall:

10 (a) Develop an application for designation of development  
11 projects as projects of statewide significance. The application must  
12 be accompanied by a letter of approval from the legislative authority  
13 of any jurisdiction that will have the proposed project of statewide  
14 significance within its boundaries. No designation of a project as a  
15 project of statewide significance shall be made without such letter  
16 of approval. The letter of approval must state that the jurisdiction  
17 joins in the request for the designation of the project as one of  
18 statewide significance and has or will hire the professional staff  
19 that will be required to expedite the processes necessary to the  
20 completion of a project of statewide significance. The development  
21 project proponents may provide the funding necessary for the  
22 jurisdiction to hire the professional staff that will be required to  
23 so expedite. The application shall contain information regarding the  
24 location of the project, the applicant's average employment in the  
25 state for the prior year, estimated new employment related to the  
26 project, estimated wages of employees related to the project,  
27 estimated time schedules for completion and operation, and other  
28 information required by the department; and

29 (b) Designate a development project as a project of statewide  
30 significance if the department determines:

31 (i) After review of the application under criteria adopted by  
32 rule, the development project will provide significant economic  
33 benefit to the local or state economy, or both, the project is  
34 aligned with the state's comprehensive plan for economic development  
35 under RCW 43.162.020, and, by its designation, the project will not  
36 prevent equal consideration of all categories of proposals under RCW  
37 43.157.010; and

1 (ii) The development project meets or will meet the requirements  
2 of RCW 43.157.010 regarding designation as a project of statewide  
3 significance.

4 (2) The office ((øf)) for regulatory innovation and assistance  
5 shall assign a project facilitator or coordinator to each project of  
6 statewide significance to:

7 (a) Assist in the scoping and coordinating functions provided for  
8 in chapter 43.42 RCW;

9 (b) Assemble a team of state and local government and private  
10 officials to help meet the planning, permitting, and development  
11 needs of each project, which team shall include those responsible for  
12 planning, permitting and licensing, infrastructure development,  
13 workforce development services including higher education,  
14 transportation services, and the provision of utilities; and

15 (c) Work with each team member to expedite their actions in  
16 furtherance of the project.

17 **Sec. 16.** RCW 43.160.060 and 2014 c 112 s 108 are each amended to  
18 read as follows:

19 (1) The board is authorized to make direct loans to political  
20 subdivisions of the state and to federally recognized Indian tribes  
21 for the purposes of assisting the political subdivisions and  
22 federally recognized Indian tribes in financing the cost of public  
23 facilities, including development of land and improvements for public  
24 facilities, project-specific environmental, capital facilities, land  
25 use, permitting, feasibility, and marketing studies and plans;  
26 project design, site planning, and analysis; project debt and revenue  
27 impact analysis; as well as the construction, rehabilitation,  
28 alteration, expansion, or improvement of the facilities. A grant may  
29 also be authorized for purposes designated in this chapter, but only  
30 when, and to the extent that, a loan is not reasonably possible,  
31 given the limited resources of the political subdivision or the  
32 federally recognized Indian tribe and the finding by the board that  
33 financial circumstances require grant assistance to enable the  
34 project to move forward. However, no more than twenty-five percent of  
35 all financial assistance approved by the board in any biennium may  
36 consist of grants to political subdivisions and federally recognized  
37 Indian tribes.

1 (2) Application for funds must be made in the form and manner as  
2 the board may prescribe. In making grants or loans the board must  
3 conform to the following requirements:

4 (a) The board may not provide financial assistance:

5 (i) For a project the primary purpose of which is to facilitate  
6 or promote a retail shopping development or expansion.

7 (ii) For any project that evidence exists would result in a  
8 development or expansion that would displace existing jobs in any  
9 other community in the state.

10 (iii) For a project the primary purpose of which is to facilitate  
11 or promote gambling.

12 (iv) For a project located outside the jurisdiction of the  
13 applicant political subdivision or federally recognized Indian tribe.

14 (b) The board may only provide financial assistance:

15 (i) For a project demonstrating convincing evidence that a  
16 specific private development or expansion is ready to occur and will  
17 occur only if the public facility improvement is made that:

18 (A) Results in the creation of significant private sector jobs or  
19 significant private sector capital investment as determined by the  
20 board; and

21 (B) Will improve the opportunities for the successful  
22 maintenance, establishment, or expansion of industrial or commercial  
23 plants or will otherwise assist in the creation or retention of long-  
24 term economic opportunities;

25 (ii) For a project that cannot meet the requirement of (b)(i) of  
26 this subsection but is a project that:

27 (A) Results in the creation of significant private sector jobs or  
28 significant private sector capital investment as determined by the  
29 board;

30 (B) Is part of a local economic development plan consistent with  
31 applicable state planning requirements;

32 (C) Can demonstrate project feasibility using standard economic  
33 principles; and

34 (D) Is located in a rural community as defined by the board, or a  
35 rural county;

36 (iii) For site-specific plans, studies, and analyses that address  
37 environmental impacts, capital facilities, land use, permitting,  
38 feasibility, marketing, project engineering, design, site planning,  
39 and project debt and revenue impacts, as grants not to exceed fifty  
40 thousand dollars.

1 (c) The board must develop guidelines for local participation and  
2 allowable match and activities.

3 (d) An application must demonstrate local match and local  
4 participation, in accordance with guidelines developed by the board.

5 (e) An application must be approved by the political subdivision  
6 and supported by the local associate development organization or  
7 local workforce development council or approved by the governing body  
8 of the federally recognized Indian tribe.

9 (f) The board may allow de minimis general system improvements to  
10 be funded if they are critically linked to the viability of the  
11 project.

12 (g) An application must demonstrate convincing evidence that the  
13 median hourly wage of the private sector jobs created after the  
14 project is completed will exceed the countywide median hourly wage.

15 (h) The board must prioritize each proposed project according to:

16 (i) The relative benefits provided to the community by the jobs  
17 the project would create, not just the total number of jobs it would  
18 create after the project is completed, but also giving consideration  
19 to the unemployment rate in the area in which the jobs would be  
20 located;

21 (ii) The rate of return of the state's investment, including, but  
22 not limited to, the leveraging of private sector investment,  
23 anticipated job creation and retention, and expected increases in  
24 state and local tax revenues associated with the project;

25 (iii) Whether the proposed project offers a health insurance plan  
26 for employees that includes an option for dependents of employees;

27 (iv) Whether the public facility investment will increase  
28 existing capacity necessary to accommodate projected population and  
29 employment growth in a manner that supports infill and redevelopment  
30 of existing urban or industrial areas that are served by adequate  
31 public facilities. Projects should maximize the use of existing  
32 infrastructure and provide for adequate funding of necessary  
33 transportation improvements;

34 (v) Whether the applicant's permitting process has been certified  
35 as streamlined by the office ((ef)) for regulatory innovation and  
36 assistance; and

37 (vi) Whether the applicant has developed and adhered to  
38 guidelines regarding its permitting process for those applying for  
39 development permits consistent with section 1(2), chapter 231, Laws  
40 of 2007.

1 (i) A responsible official of the political subdivision or the  
2 federally recognized Indian tribe must be present during board  
3 deliberations and provide information that the board requests.

4 (3) Before any financial assistance application is approved, the  
5 political subdivision or the federally recognized Indian tribe  
6 seeking the assistance must demonstrate to the community economic  
7 revitalization board that no other timely source of funding is  
8 available to it at costs reasonably similar to financing available  
9 from the community economic revitalization board.

10 **Sec. 17.** RCW 47.80.090 and 2012 c 229 s 592 are each amended to  
11 read as follows:

12 (1) A regional transportation planning organization containing  
13 any county with a population in excess of one million in  
14 collaboration with representatives from the department of ecology,  
15 the department of commerce, local governments, and the office ((of))  
16 for regulatory innovation and assistance must seek federal or private  
17 funding for the planning for, deployment of, or regulations  
18 concerning electric vehicle infrastructure. These efforts should  
19 include:

20 (a) Development of short-term and long-term plans outlining how  
21 state, regional, and local government construction may include  
22 electric vehicle infrastructure in publicly available off-street  
23 parking and government fleet vehicle parking, including what ratios  
24 of charge spots to parking may be appropriate based on location or  
25 type of facility or building;

26 (b) Consultations with the state building code council and the  
27 department of labor and industries to coordinate the plans with state  
28 standards for new residential, commercial, and industrial buildings  
29 to ensure that the appropriate electric circuitry is installed to  
30 support electric vehicle infrastructure;

31 (c) Consultation with the workforce development council and the  
32 student achievement council to ensure the development of appropriate  
33 educational and training opportunities for citizens of the state in  
34 support of the transition of some portion of vehicular transportation  
35 from combustion to electric vehicles;

36 (d) Development of an implementation plan for counties with a  
37 population greater than five hundred thousand with the goal of having  
38 public and private parking spaces, in the aggregate, be ten percent  
39 electric vehicle ready by December 31, 2018; and

1 (e) Development of model ordinances and guidance for local  
2 governments for siting and installing electric vehicle  
3 infrastructure, in particular battery charging stations, and  
4 appropriate handling, recycling, and storage of electric vehicle  
5 batteries and equipment.

6 (2) These plans and any recommendations developed as a result of  
7 the consultations required by this section must be submitted to the  
8 legislature by December 31, 2010, or as soon as reasonably  
9 practicable after the securing of any federal or private funding.  
10 Priority will be given to the activities in subsection (1)(e) of this  
11 section and any ordinances or guidance that is developed will be  
12 submitted to the legislature, the department of commerce, and  
13 affected local governments prior to December 31, 2010, if completed.

14 (3) The definitions in this subsection apply throughout this  
15 section unless the context clearly requires otherwise.

16 (a) "Battery charging station" means an electrical component  
17 assembly or cluster of component assemblies designed specifically to  
18 charge batteries within electric vehicles, which meet or exceed any  
19 standards, codes, and regulations set forth by chapter 19.28 RCW and  
20 consistent with rules adopted under RCW 19.27.540.

21 (b) "Battery exchange station" means a fully automated facility  
22 that will enable an electric vehicle with a swappable battery to  
23 enter a drive lane and exchange the depleted battery with a fully  
24 charged battery through a fully automated process, which meets or  
25 exceeds any standards, codes, and regulations set forth by chapter  
26 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

27 (c) "Electric vehicle infrastructure" means structures,  
28 machinery, and equipment necessary and integral to support an  
29 electric vehicle, including battery charging stations, rapid charging  
30 stations, and battery exchange stations.

31 (d) "Rapid charging station" means an industrial grade electrical  
32 outlet that allows for faster recharging of electric vehicle  
33 batteries through higher power levels, which meets or exceeds any  
34 standards, codes, and regulations set forth by chapter 19.28 RCW and  
35 consistent with rules adopted under RCW 19.27.540.

36 **Sec. 18.** RCW 77.55.181 and 2014 c 120 s 1 are each amended to  
37 read as follows:

38 (1)(a) In order to receive the permit review and approval process  
39 created in this section, a fish habitat enhancement project must meet

1 the criteria under this section and must be a project to accomplish  
2 one or more of the following tasks:

3 (i) Elimination of human-made or caused fish passage barriers,  
4 including culvert repair and replacement;

5 (ii) Restoration of an eroded or unstable stream bank employing  
6 the principle of bioengineering, including limited use of rock as a  
7 stabilization only at the toe of the bank, and with primary emphasis  
8 on using native vegetation to control the erosive forces of flowing  
9 water; or

10 (iii) Placement of woody debris or other instream structures that  
11 benefit naturally reproducing fish stocks.

12 (b) The department shall develop size or scale threshold tests to  
13 determine if projects accomplishing any of these tasks should be  
14 evaluated under the process created in this section or under other  
15 project review and approval processes. A project proposal shall not  
16 be reviewed under the process created in this section if the  
17 department determines that the scale of the project raises concerns  
18 regarding public health and safety.

19 (c) A fish habitat enhancement project must be approved in one of  
20 the following ways in order to receive the permit review and approval  
21 process created in this section:

22 (i) By the department pursuant to chapter 77.95 or 77.100 RCW;

23 (ii) By the sponsor of a watershed restoration plan as provided  
24 in chapter 89.08 RCW;

25 (iii) By the department as a department-sponsored fish habitat  
26 enhancement or restoration project;

27 (iv) Through the review and approval process for the jobs for the  
28 environment program;

29 (v) Through the review and approval process for conservation  
30 district-sponsored projects, where the project complies with design  
31 standards established by the conservation commission through  
32 interagency agreement with the United States fish and wildlife  
33 service and the natural resource conservation service;

34 (vi) Through a formal grant program established by the  
35 legislature or the department for fish habitat enhancement or  
36 restoration;

37 (vii) Through the department of transportation's environmental  
38 retrofit program as a stand-alone fish passage barrier correction  
39 project;

1 (viii) Through a local, state, or federally approved fish barrier  
2 removal grant program designed to assist local governments in  
3 implementing stand-alone fish passage barrier corrections;

4 (ix) By a city or county for a stand-alone fish passage barrier  
5 correction project funded by the city or county; and

6 (x) Through other formal review and approval processes  
7 established by the legislature.

8 (2) Fish habitat enhancement projects meeting the criteria of  
9 subsection (1) of this section are expected to result in beneficial  
10 impacts to the environment. Decisions pertaining to fish habitat  
11 enhancement projects meeting the criteria of subsection (1) of this  
12 section and being reviewed and approved according to the provisions  
13 of this section are not subject to the requirements of RCW  
14 43.21C.030(2)(c).

15 (3)(a) A permit is required for projects that meet the criteria  
16 of subsection (1) of this section and are being reviewed and approved  
17 under this section. An applicant shall use a joint aquatic resource  
18 permit application form developed by the office ((øf)) for regulatory  
19 innovation and assistance to apply for approval under this chapter.  
20 On the same day, the applicant shall provide copies of the completed  
21 application form to the department and to each appropriate local  
22 government.

23 (b) Local governments shall accept the application as notice of  
24 the proposed project. The department shall provide a fifteen-day  
25 comment period during which it will receive comments regarding  
26 environmental impacts.

27 (c) Within forty-five days, the department shall either issue a  
28 permit, with or without conditions, deny approval, or make a  
29 determination that the review and approval process created by this  
30 section is not appropriate for the proposed project. The department  
31 shall base this determination on identification during the comment  
32 period of adverse impacts that cannot be mitigated by the  
33 conditioning of a permit.

34 (d) If the department determines that the review and approval  
35 process created by this section is not appropriate for the proposed  
36 project, the department shall notify the applicant and the  
37 appropriate local governments of its determination. The applicant may  
38 reapply for approval of the project under other review and approval  
39 processes.

1 (e) Any person aggrieved by the approval, denial, conditioning,  
2 or modification of a permit under this section may appeal the  
3 decision as provided in RCW 77.55.021(8).

4 (4) No local government may require permits or charge fees for  
5 fish habitat enhancement projects that meet the criteria of  
6 subsection (1) of this section and that are reviewed and approved  
7 according to the provisions of this section.

8 (5) No civil liability may be imposed by any court on the state  
9 or its officers and employees for any adverse impacts resulting from  
10 a fish enhancement project permitted by the department under the  
11 criteria of this section except upon proof of gross negligence or  
12 willful or wanton misconduct.

13 **PART II**

14 **DEPARTMENT OF COMMERCE**

15 **Sec. 19.** RCW 43.330.040 and 1993 c 280 s 6 are each amended to  
16 read as follows:

17 (1) The director shall supervise and administer the activities of  
18 the department and shall advise the governor and the legislature with  
19 respect to community and economic development matters affecting the  
20 state.

21 (2) In addition to other powers and duties granted to the  
22 director, the director shall have the following powers and duties:

23 (a) Enter into contracts on behalf of the state to carry out the  
24 purposes of this chapter;

25 (b) Act for the state in the initiation of or participation in  
26 any multigovernmental program relative to the purpose of this  
27 chapter;

28 (c) Accept and expend gifts and grants, whether such grants be of  
29 federal or other funds;

30 (d) Appoint such deputy directors, assistant directors, and up to  
31 seven special assistants as may be needed to administer the  
32 department. These employees are exempt from the provisions of chapter  
33 41.06 RCW;

34 (e) Prepare and submit budgets for the department for executive  
35 and legislative action;

36 (f) Submit recommendations for legislative actions as are deemed  
37 necessary to further the purposes of this chapter;

1 (g) Adopt rules in accordance with chapter 34.05 RCW and perform  
2 all other functions necessary and proper to carry out the purposes of  
3 this chapter;

4 (h) Delegate powers, duties, and functions as the director deems  
5 necessary for efficient administration, but the director shall be  
6 responsible for the official acts of the officers and employees of  
7 the department; and

8 (i) Perform other duties as are necessary and consistent with  
9 law.

10 (3) When federal or other funds are received by the department,  
11 they shall be promptly transferred to the state treasurer and  
12 thereafter expended only upon the approval of the director. The  
13 department must track the amount of federal economic development  
14 funding received and disbursed along with any required state, local,  
15 or other matching requirements and annually provide such information  
16 to the economic development committees of the house of  
17 representatives and the senate.

18 (4) The director may request information and assistance from all  
19 other agencies, departments, and officials of the state, and may  
20 reimburse such agencies, departments, or officials if such a request  
21 imposes any additional expenses upon any such agency, department, or  
22 official.

23 (5) The director shall, in carrying out the responsibilities of  
24 office, consult with governmental officials, private groups, and  
25 individuals and with officials of other states. All state agencies  
26 and their officials and the officials of any political subdivision of  
27 the state shall cooperate with and give such assistance to the  
28 department, including the submission of requested information, to  
29 allow the department to carry out its purposes under this chapter.

30 (6) The director may establish additional advisory or  
31 coordinating groups with the legislature, within state government,  
32 with state and other governmental units, with the private sector and  
33 nonprofit entities or in specialized subject areas as may be  
34 necessary to carry out the purposes of this chapter.

35 (7) The internal affairs of the department shall be under the  
36 control of the director in order that the director may manage the  
37 department in a flexible and intelligent manner as dictated by  
38 changing contemporary circumstances. Unless specifically limited by  
39 law, the director shall have complete charge and supervisory powers  
40 over the department. The director may create such administrative

1 structures as the director deems appropriate, except as otherwise  
2 specified by law, and the director may employ such personnel as may  
3 be necessary in accordance with chapter 41.06 RCW, except as  
4 otherwise provided by law.

5 **Sec. 20.** RCW 43.330.050 and 2014 c 112 s 110 are each amended to  
6 read as follows:

7 The department shall be responsible for promoting community and  
8 economic development within the state by assisting the state's  
9 communities to increase the quality of life of their citizens and  
10 their economic vitality, and by assisting the state's businesses to  
11 maintain and increase their economic competitiveness, while  
12 maintaining a healthy environment. Community and economic development  
13 efforts shall include: Efforts to increase economic opportunity;  
14 local planning to manage growth; the promotion and provision of  
15 affordable housing and housing-related services; providing public  
16 infrastructure; business and trade development; assisting firms and  
17 industrial sectors to increase their competitiveness; fostering the  
18 development of minority and women-owned businesses; facilitating  
19 technology development, transfer, and diffusion; community services  
20 and advocacy for low-income persons; and public safety efforts. The  
21 department shall have the following general functions and  
22 responsibilities:

23 (1) Provide advisory assistance to the governor, other state  
24 agencies, and the legislature on community and economic development  
25 matters and issues;

26 (2) Assist the governor in coordinating the activities of state  
27 agencies that have an impact on local government and communities;

28 (3) Cooperate with the legislature and the governor in the  
29 development and implementation of strategic plans for the state's  
30 community and economic development efforts;

31 (4) Solicit private and federal grants for economic and community  
32 development programs and administer such programs in conjunction with  
33 other programs assigned to the department by the governor or the  
34 legislature. To maximize the impact of federal funding for economic  
35 development, the department must coordinate with federal and state  
36 public research facilities to leverage other federal funding coming  
37 to the state for research, development, innovation of new  
38 technologies, and transfer of technology to the private sector to  
39 promote business development and jobs in Washington;

1 (5) Cooperate with and provide technical and financial assistance  
2 to local governments, businesses, and community-based organizations  
3 serving the communities of the state for the purpose of aiding and  
4 encouraging orderly, productive, and coordinated development of the  
5 state, and, unless stipulated otherwise, give additional  
6 consideration to local communities and individuals with the greatest  
7 relative need and the fewest resources;

8 (6) Participate with other states or subdivisions thereof in  
9 interstate programs and assist cities, counties, municipal  
10 corporations, governmental conferences or councils, and regional  
11 planning commissions to participate with other states and provinces  
12 or their subdivisions;

13 (7) Hold public hearings and meetings to carry out the purposes  
14 of this chapter;

15 (8) Conduct research and analysis in furtherance of the state's  
16 economic and community development efforts including maintenance of  
17 current information on market, demographic, and economic trends as  
18 they affect different industrial sectors, geographic regions, and  
19 communities with special economic and social problems in the state;  
20 ((and))

21 (9) Develop a schedule of fees for services where appropriate;  
22 and

23 (10) Operate an office for regulatory innovation and assistance  
24 to continually improve the function of environmental and business  
25 regulatory processes by identifying conflicts and overlap in the  
26 state's rules, statutes, and operational practices and to ensure  
27 ongoing coordination among regulatory agencies to reduce costs for  
28 both government and business.

29 **Sec. 21.** RCW 43.330.060 and 2010 c 165 s 2 are each amended to  
30 read as follows:

31 (1) The department shall (a) assist in expanding the state's role  
32 as an international center of trade, culture, and finance; (b)  
33 promote and market the state's products and services both nationally  
34 and internationally; (c) work in close cooperation with other private  
35 and public international trade efforts; (d) act as a centralized  
36 location for the assimilation and distribution of trade information;  
37 and (e) establish and operate foreign offices promoting overseas  
38 trade and commerce.

1 (2) The department shall identify and work with Washington  
2 businesses that can use local, state, and federal assistance to  
3 increase domestic and foreign exports of goods and services.

4 (3) The department shall work generally with small businesses and  
5 other employers to facilitate resolution of siting, regulatory,  
6 expansion, and retention problems. This assistance shall include but  
7 not be limited to assisting in workforce training and infrastructure  
8 needs, identifying and locating suitable business sites, and  
9 resolving problems with government licensing and regulatory  
10 requirements. The department shall identify gaps in needed services  
11 and develop steps to address them including private sector support  
12 and purchase of these services.

13 (4) The department shall work to increase the availability of  
14 capital to small businesses by developing new and flexible investment  
15 tools; by assisting in targeting and improving the efficiency of  
16 existing investment mechanisms; and by assisting in the procurement  
17 of managerial and technical assistance necessary to attract potential  
18 investors.

19 (5) The department shall assist women and minority-owned  
20 businesses in overcoming barriers to entrepreneurial success. The  
21 department shall contract with public and private agencies,  
22 institutions, and organizations to conduct entrepreneurial training  
23 courses for minority and women-owned businesses. The instruction  
24 shall be intensive, practical training courses in financing,  
25 marketing, managing, accounting, and recordkeeping for a small  
26 business, with an emphasis on federal, state, local, or private  
27 programs available to assist small businesses. Instruction shall be  
28 offered in major population centers throughout the state at times and  
29 locations that are convenient for minority and women small business  
30 owners.

31 (6)(a) Subject to the availability of amounts appropriated for  
32 this specific purpose, by December 1, 2010, the department, in  
33 conjunction with the small business development center, must prepare  
34 and present to the governor and appropriate legislative committees a  
35 specific, actionable plan to increase access to capital and technical  
36 assistance to small businesses and entrepreneurs beginning with the  
37 2011-2013 biennium. In developing the plan, the department and the  
38 center may consult with the Washington state microenterprise  
39 association, and with other government, nonprofit, and private  
40 organizations as necessary. The plan must identify:

1 (i) Existing sources of capital and technical assistance for  
2 small businesses and entrepreneurs;

3 (ii) Critical gaps and barriers to availability of capital and  
4 delivery of technical assistance to small businesses and  
5 entrepreneurs;

6 (iii) Workable solutions to filling the gaps and removing  
7 barriers identified in (a)(ii) of this subsection; and

8 (iv) The financial resources and statutory changes necessary to  
9 put the plan into effect beginning with the 2011-2013 biennium.

10 (b) With respect to increasing access to capital, the plan must  
11 identify specific, feasible sources of capital and practical  
12 mechanisms for expanding access to it.

13 (c) The department and the center must include, within the  
14 analysis and recommendations in (a) of this subsection, any specific  
15 gaps, barriers, and solutions related to rural and low-income  
16 communities and small manufacturers interested in exporting.

17 (7) The department must develop business assistance materials to  
18 maintain and grow businesses in Washington. The business assistance  
19 materials must include information about Washington's business and  
20 regulatory requirements and efforts to streamline and improve  
21 government regulation of businesses. The department must prioritize  
22 their efforts by collaborating with businesses in key economic  
23 sectors identified in targeted industry sectors in RCW 43.330.090,  
24 and businesses in industry sectors identified through successful  
25 pilot projects conducted under RCW 43.330.440.

26 **Sec. 22.** RCW 43.330.090 and 2014 c 112 s 113 are each amended to  
27 read as follows:

28 (1) The department shall work with private sector organizations,  
29 industry and sector associations, federal agencies, state agencies  
30 that use a sector-based approach to service delivery, local  
31 governments, local associate development organizations, and higher  
32 education and training institutions in the development of industry  
33 sector-based strategies to diversify the economy, facilitate  
34 technology transfer and diffusion, and increase value-added  
35 production. The industry sectors targeted by the department may  
36 include, but are not limited to, aerospace, agriculture, food  
37 processing, forest products, marine services, health and biomedical,  
38 software, digital and interactive media, transportation and  
39 distribution, and microelectronics. The department may establish

1 sector leads as directed in the omnibus operating appropriations act.  
2 The department shall, on a continuing basis, evaluate the potential  
3 return to the state from devoting additional resources to an industry  
4 sector-based approach to economic development and identifying and  
5 assisting additional sectors.

6 (2) The department's sector-based strategies shall include, but  
7 not be limited to, cluster-based strategies that focus on assisting  
8 regional industry sectors and related firms and institutions that  
9 meet the definition of an industry cluster in this section and based  
10 on criteria identified by the working group established in this  
11 chapter.

12 (3)(a) The department shall promote, market, and encourage growth  
13 in the production of films and videos, as well as television  
14 commercials within the state; to this end the department is directed  
15 to assist in the location of a film and video production studio  
16 within the state.

17 (b) The department may, in carrying out its efforts to encourage  
18 film and video production in the state, solicit and receive gifts,  
19 grants, funds, fees, and endowments, in trust or otherwise, from  
20 tribal, local, or other governmental entities, as well as private  
21 sources, and may expend the same or any income therefrom for the  
22 encouragement of film and video production. All revenue received for  
23 such purposes shall be deposited into the general fund.

24 (4) In assisting in the development of regional and statewide  
25 industry cluster-based strategies, the department's activities shall  
26 include, but are not limited to:

27 (a) Facilitating regional focus group discussions and conducting  
28 studies to identify industry clusters, appraise the current  
29 information linkages within a cluster, and identify issues of common  
30 concern within a cluster;

31 (b) Supporting industry and cluster associations, publications of  
32 association and cluster directories, development of business  
33 assistance materials, and related efforts to create or expand the  
34 activities of industry and cluster associations;

35 (c) Administering a competitive grant program to fund economic  
36 development activities designed to further regional cluster growth.  
37 In administering the program, the department shall work with the  
38 workforce training and education coordinating board, the state board  
39 for community and technical colleges, the employment security  
40 department, business, and labor.

1 (i) The department shall seek recommendations on criteria for  
2 evaluating applications for grant funds and recommend applicants for  
3 receipt of grant funds. Criteria shall include not duplicating the  
4 purpose or efforts of industry skill panels.

5 (ii) Applicants must include organizations from at least two  
6 counties and participants from the local business community. Eligible  
7 organizations include, but are not limited to, local governments,  
8 economic development councils, chambers of commerce, federally  
9 recognized Indian tribes, workforce development councils, and  
10 educational institutions.

11 (iii) Applications must evidence financial participation of the  
12 partner organizations.

13 (iv) Eligible activities include the formation of cluster  
14 economic development partnerships, research and analysis of economic  
15 development needs of the cluster, the development of a plan to meet  
16 the economic development needs of the cluster, and activities to  
17 implement the plan.

18 (v) Priority shall be given to applicants that complement  
19 industry skill panels and will use the grant funds to build linkages  
20 and joint projects.

21 (vi) The maximum amount of a grant is one hundred thousand  
22 dollars.

23 (vii) A maximum of one hundred thousand dollars total can go to  
24 King, Pierce, Kitsap, and Snohomish counties combined.

25 (viii) No more than ten percent of funds received for the grant  
26 program may be used by the department for administrative costs.

27 (5) As used in this chapter, "industry cluster" means a  
28 geographic concentration of interconnected companies in a single  
29 industry, related businesses in other industries, including suppliers  
30 and customers, and associated institutions, including government and  
31 education.

32 **Sec. 23.** RCW 43.330.440 and 2013 c 324 s 2 are each amended to  
33 read as follows:

34 (1) The department, in collaboration with the office ((of)) for  
35 regulatory innovation and assistance and the office of accountability  
36 and performance, must conduct multijurisdictional regulatory  
37 streamlining projects that each impact a specific industry sector or  
38 subsector within a specific geographical location. Planning for an  
39 initial pilot project must begin by September 1, 2013, and the

1 initial pilot project must be underway by December 31, 2013. One or  
2 more projects must be implemented in each subsequent calendar year  
3 through 2019.

4 (2) The department must establish and implement a competitive  
5 process and select a minimum of one applicant comprised of a public-  
6 private partnership for participation in each project. The initial  
7 pilot project must focus on the manufacturing sector. The department,  
8 in consultation with the economic development commission, must  
9 determine the sectors for subsequent projects. The criteria to be  
10 used to select projects must include:

11 (a) Evidence of strong business commitment to the project;

12 (b) Evidence of strong commitment by the local government  
13 jurisdictions where the project is located to allocate necessary  
14 staff to the project and to streamline laws, rules, and  
15 administrative process requirements both within their jurisdictions  
16 and collaboratively across jurisdictions;

17 (c) Willingness to apply lean principles and tools to streamline  
18 the business regulatory experience;

19 (d) Identification of a lead partner capable of providing project  
20 management and coordination of partners;

21 (e) Support of the stakeholders necessary to implement the  
22 project;

23 (f) A plan and capacity to complete the project within the time  
24 frame; and

25 (g) A minimum of fifty percent match must be provided from  
26 project partners. The match may be cash, in-kind, or a combination of  
27 cash and in-kind.

28 (3) The department is encouraged to collaborate with nonprofit  
29 industry organizations, the private sector, foundations, and other  
30 interested entities to successfully complete each project.

31 (4) The department must pursue opportunities for nonstate funding  
32 as the match to the fifty percent or more provided by project  
33 partners. A maximum of fifty thousand dollars of state funds may be  
34 used for a project.

35 (5) The department may contract with a third party for expertise  
36 and facilitation.

37 (6) All state agencies with regulatory requirements that impact  
38 the project's industry sector must participate.

39 (7) The state agencies, local jurisdictions, business partners,  
40 and other participants must jointly:

1 (a) Develop a project plan to conduct a cross-jurisdictional  
2 review process;

3 (b) Identify and review all laws, rules, and administrative  
4 processes and requirements pertaining to the selected sector;

5 (c) Apply specific criteria to evaluate the extent to which the  
6 laws, rules, and administrative processes and requirements provide  
7 for consistent, clear, and efficient customer experiences while  
8 continuing to maintain public health, safety, and environmental  
9 standards;

10 (d) Develop an implementation plan and schedule that identifies  
11 priority streamlining actions;

12 (e) Present their recommendations to the department for comment  
13 and endorsement; and

14 (f) Present their recommendations to the Washington state  
15 economic development commission for comment, endorsement, and  
16 evaluation.

17 (8) The department must document and distribute the streamlined  
18 laws, rules, processes, and other potentially replicable information,  
19 derived from the projects to the association of Washington cities and  
20 Washington state association of counties for distribution to their  
21 membership.

22 (9) The department must develop business assistance materials  
23 that incorporate best practices learned from pilot projects conducted  
24 under this section.

25 (10) The department must brief the economic development  
26 committees of the legislature by January 15, 2014, on the status of  
27 the initial pilot project, and must submit a report on the outcomes  
28 of the projects to the economic development committees of the  
29 legislature by January 15th of each calendar year, from 2015 through  
30 2020. The department must include in the reports any streamlining  
31 recommendations identified in the projects that require statutory  
32 changes for implementation and any potentially replicable models,  
33 approaches, and tools that could be applied to other sectors and  
34 geographical areas.

35 **PART III**

36 **MISCELLANEOUS**

37 NEW SECTION. **Sec. 24.** (1) The office of regulatory assistance  
38 is hereby abolished and its powers, duties, and functions are hereby

1 transferred to the office for regulatory innovation and assistance in  
2 the department of commerce.

3 (2)(a) All reports, documents, surveys, books, records, files,  
4 papers, or written material in the possession of the office of  
5 regulatory assistance shall be delivered to the custody of the office  
6 for regulatory innovation and assistance. All cabinets, furniture,  
7 office equipment, motor vehicles, and other tangible property  
8 employed by the office of regulatory assistance shall be made  
9 available to the office for regulatory innovation and assistance. All  
10 funds, credits, or other assets held by the office of regulatory  
11 assistance shall be assigned to the office for regulatory innovation  
12 and assistance.

13 (b) Any appropriations made to the office of regulatory  
14 assistance shall, on the effective date of this section, be  
15 transferred and credited to the office for regulatory innovation and  
16 assistance.

17 (c) If any question arises as to the transfer of any personnel,  
18 funds, books, documents, records, papers, files, equipment, or other  
19 tangible property used or held in the exercise of the powers and the  
20 performance of the duties and functions transferred, the director of  
21 financial management shall make a determination as to the proper  
22 allocation and certify the same to the state agencies concerned.

23 (3) All employees of the office of regulatory assistance are  
24 transferred to the jurisdiction of the office for regulatory  
25 innovation and assistance. All employees classified under chapter  
26 41.06 RCW, the state civil service law, are assigned to the office  
27 for regulatory innovation and assistance to perform their usual  
28 duties upon the same terms as formerly, without any loss of rights,  
29 subject to any action that may be appropriate thereafter in  
30 accordance with the laws and rules governing state civil service.

31 (4) All rules and all pending business before the office of  
32 regulatory assistance shall be continued and acted upon by the office  
33 for regulatory innovation and assistance. All existing contracts and  
34 obligations shall remain in full force and shall be performed by the  
35 office for regulatory innovation and assistance.

36 (5) The transfer of the powers, duties, functions, and personnel  
37 of the office of regulatory assistance shall not affect the validity  
38 of any act performed before the effective date of this section.

39 (6) If apportionments of budgeted funds are required because of  
40 the transfers directed by this section, the director of financial

1 management shall certify the apportionments to the agencies affected,  
2 the state auditor, and the state treasurer. Each of these shall make  
3 the appropriate transfer and adjustments in funds and appropriation  
4 accounts and equipment records in accordance with the certification.

5 (7) All classified employees of the office of regulatory  
6 assistance assigned to the office for regulatory innovation and  
7 assistance under this section whose positions are within an existing  
8 bargaining unit description at the office for regulatory innovation  
9 and assistance shall become a part of the existing bargaining unit at  
10 the office for regulatory innovation and assistance and shall be  
11 considered an appropriate inclusion or modification of the existing  
12 bargaining unit under the provisions of chapter 41.80 RCW.

13 NEW SECTION. **Sec. 25.** This act takes effect July 1, 2016.

--- END ---