

2023 Legislative Updates to Modernize and Streamline Local Project Review

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SB 5290 amends the Local Project Review Act, [Chapter 36.70B RCW](#), with the intent to increase the timeliness and predictability of local project review. The bill also establishes grant and technical assistance programs, which will be administered by the Washington State Department of Commerce (Commerce), to assist local governments in obtaining the capacity needed for timely permit processing.

The project review provisions in the Local Project Review Act apply to local governments planning under the Growth Management Act (GMA) pursuant to [RCW 36.70A.040](#); However, non-GMA planning jurisdictions may choose to incorporate these provisions into their local procedures (see [RCW 36.70B.150](#)).

Amendments to [Chapter 36.70B](#) are several and include updated local permit review timelines, clarifications regarding the determination of completeness process, a new exemption from site plan review for certain interior projects that contain no exterior alterations, updated annual reporting requirements related to permit issuance, and provisions requiring partial permit fee refunds for failure to timely process permit applications, among other things. (A reminder that MRSC blogs on new legislation are summaries and we highly recommend consulting with your agency's attorney for a full review and agency-specific interpretation.)

All sections became effective as of July 23, 2023, except for the provisions in Section 7, which include the new permit review timelines and annual reporting requirements. That section is effective as of January 1, 2025.

Below is a summary of some of the major changes included in the amended law.

New Permit Review Timelines

There are new permit review timelines for project permit applications submitted to GMA-planning jurisdictions after January 1, 2025 (see [RCW 36.70B.080](#)):

- For projects that do not require public notice under [RCW 36.70B.110](#), the final decision must be issued within 65 days of the determination of completeness under [RCW 36.70B.070](#).
- For projects that do require public notice under [RCW 36.70B.110](#), the final decision must be issued within 100 days of the determination of completeness under [RCW 36.70B.070](#).
- For project permits which require both notice under [RCW 36.70B.110](#) and a public hearing, the final decision must be issued within 170 days of the determination of completeness under [RCW 36.70B.070](#).

The above timelines can be altered by local ordinance to address consolidated review time periods or to accommodate larger projects and other differentiating factors. The “shot clock” — or time limit on application review — starts with the determination of complete application and must include every calendar day (not just business days). Certain actions will stop the clock, such as a request by the applicant to temporarily suspend project review as well as the time during which a jurisdiction is waiting for additional information from the applicant. If an applicant does not provide requested

information within a specified time, additional time can be added to the shot clock.

Failure to adhere to the established permit review timelines results in a requirement for a local government to refund an applicant's permit fees on a pro-rated basis — up to a 20% refund depending on the length of the delay. If cities and counties have implemented at least three optional measures intended to streamline project review set forth in [RCW 36.70B.160\(1\)](#), then these permit fee refund provisions do not apply. There are 10 optional measures that local governments are encouraged to adopt (e.g., entering into an interlocal agreement with another jurisdiction to share permitting staff and resources, and only requiring public hearings for projects when state law requires a public hearing).

Adoption of an ordinance amending timelines consistent with the new provisions will not be subject to appeal to the Growth Management Hearings Board, unless a jurisdiction chooses to adopt time periods for review that are different than those listed in the statute and exceed 170 days.

Revised Annual Reporting Requirements for Certain Jurisdictions

Counties subject to [RCW 36.70A.215](#) (i.e., the buildable lands program) and cities within those counties with a population of at least 20,000 must post annual reports to their websites and submit these reports annually to Commerce by March 1. These reports must include the number of permits issued by type, length of processing decisions, and several other metrics as set forth in amended [RCW 36.70B.080](#). This reporting requirement begins March 1, 2025.

Exemptions from Site Plan Review

Projects with only interior alterations must be exempt from site plan review provided no new sleeping quarters or bedrooms are added and certain other thresholds are not exceeded. See [RCW 35.70B.140\(3\)](#). This section was effective as of July 2023.

Commerce Grant Programs and Technical Assistance

[SB 5290](#) also places new responsibilities on Commerce to assist and support local governments in their efforts to speed up local permit review, including offering specialized grant programs.

Consolidated permit review grant program

Commerce will offer grants to local governments that commit to certain building permit review consolidation requirements. These include:

- A commitment to issue residential permit applications within 45 business days or 90 calendar days;
- Establishment of an application fee structure that allows for timely consolidated permit review; and
- Completion of a quarterly report to Commerce that includes the maximum and average time for permit review during participation in the program, among other requirements.

Digital permitting grant program

Commerce will offer grants to local governments to update software systems that enable an agency to process electronic permit applications and conduct virtual inspections. Grants will only be provided to a city if the city allows for development of at least two units per lot on all lots zoned predominantly for residential use.

Here are additional items, unrelated to funding, that [SB 5290](#) directs Commerce to do:

- Convene a digital permitting process workgroup consisting of stakeholders, including Association of Washington Cities, Washington State Association of Counties, cities, counties, building groups, and building inspectors. This group must provide a final report to the state legislature by August 1, 2024, that makes recommendations intended to encourage streamlined and efficient permit review, including consideration of the costs and benefits of implementing a statewide permitting software system.
- Provide technical assistance and guidance to counties and cities in setting fee structures that are reasonable and sufficient to recover true costs.
- Develop a template for annual report submissions required under [RCW 36.70B.080](#).
- Develop a plan to help local governments find appropriately trained staff for temporary support to enable timely processing of residential housing permit applications. This plan is to be submitted to the state legislature by December 1, 2023.

Conclusion

The amendments in [SB 5290](#) are intended to modernize and streamline local project review — one of several bills addressing land use and planning passed last legislative session. For summaries of other planning, housing, environment, and climate-related legislation from 2023, see MRSC's blogs: [Major Changes to Washington's Housing Laws](#) and [New Legislation Related to Climate and the Natural Environment](#).

Stay tuned for upcoming blogs covering additional 2023 planning legislation or visit our webpage on [Streamlining Local Permit Review Procedures](#) for more information on local project review.

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About Jill Dvorkin

Jill joined MRSC as a legal consultant in June 2016 after working for nine years as a civil deputy prosecuting attorney for Skagit County. At Skagit County, Jill advised the planning department on a wide variety of issues including permit processing and appeals, Growth Management Act (GMA) compliance, code enforcement, SEPA, legislative process, and public records. Jill was born and raised in Fargo, ND, then moved to Bellingham to attend college and experience a new part of the country (and mountains!). She earned a B.A. in Environmental Policy and Planning from Western Washington University and graduated with a J.D. from the University of Washington School of Law in 2003.

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