

Fiscal Note

BILL # SB 1116

TITLE: state permitting dashboard

SPONSOR: Gowan

STATUS: As Amended by House APPROP

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Description

The bill requires the Governor to appoint a state permitting director within the Office of the Governor to establish and administer a state permitting dashboard for private infrastructure projects with construction costs over \$25 million or smaller compatible projects. For participating projects, the director would facilitate establishing timelines for executive state agencies to address relevant permits and authorizations. The timelines would be displayed on a public visual dashboard. If disputes arise related to the permitting timetable that cannot be mediated by the director, the Governor's Regulatory Review Council (GRRC) would resolve disputes. The bill includes an appropriation of \$500,000 from the General Fund in FY 2022 for the development of the state permitting dashboard.

Estimated Impact

We anticipate a cost of at least \$500,000 for the development of the automated dashboard. The bill addresses this issue with a \$500,000 appropriation from the General Fund to the Arizona Department of Administration (ADOA) in FY 2022. The cost could be higher depending on the robustness of the dashboard and how it communicates with other agency databases.

We do not estimate that the bill would result in a net new FY 2022 operational cost because the bill requires the state permitting director be appointed by the Governor and counted in the current full-time equivalent staff count of the Office of the Governor's budget. We estimate that the annual costs once the program is established will depend on how the state permitting director implements the programs, the number of participating projects, and the design/administration of the data dashboard. Based on other states' experiences, the annual cost could eventually grow to \$2 million.

The bill assigns the Governor's Regulatory Review Council (GRRC) with the responsibility for dispute resolution and rulemaking authority for this process. We estimate that GRRC could have increased costs, but the impact would depend on the number of participating projects and the decisions of the participating agencies.

As of publication, the Executive Branch/Arizona Department of Administration (ADOA) and GRRC have not yet provided an estimate for this bill; we also did not receive estimated costs or background regarding authorizations relevant for the dashboard for a similar bill, [HB 2543](#) (state permitting dashboard).

Analysis

The program is modeled after the Permitting Dashboard for large-scale infrastructure projects administered by the Federal Permitting Improvement Steering Council (FPISC). With an FFY 2020 appropriation of \$8.0 million, the office produced outlines of permitting processes, operated a dashboard, and coordinated with federal agencies for energy and transportation projects with a cost over \$250 million. In 2020, the FPISC reported working on 28 projects nationally.

The bill would create an Arizona permitting dashboard for projects primarily over \$25 million to provide a visual display of the necessary authorizations and a timeline for completion. In terms of eligibility for the voluntary program, our research indicates at least 150 private or private-public projects with construction costs of at least \$25 million in pre-construction planning stages as well as additional public large infrastructure projects including university buildings and parks.

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Based on the materials supplied by approved participating projects, the permitting-director would include on the dashboard all the authorizations required from an Executive branch agency (licenses, permits approvals, findings, land use permits, determinations, or other administration decisions) related to the siting, constructing, reconstructing or commencing of operations. If the director cannot mediate disputes related to the permitting timetable, GRRC will review the dispute and recommend a course action to the director. The director may require agency action to settle the dispute. GRRC has not supplied any estimate of costs related to this responsibility.

The bill requires the Department of Environmental Quality (ADEQ), Department of Transportation (ADOT), Arizona State Land (ASL), Department of Water Resources (ADWR), Arizona Commerce Authority, Arizona Game & Fish Department, the State Historic Preservation Office (SHPO) and any other agencies with relevant authorizations and permits to participate in the dashboard when identified as having an authorization for a project. Additional information can be found in the fiscal note for [HB 2543](#) on JLBC Staff analysis of potential authorizations. We assume costs of participating in the dashboard will be absorbed by the agency.

Other States

We looked for similar projects in other states but did not find a program exclusively dedicated to a permitting dashboard and mediation of timeframe issues. Several states have permitting or regulatory offices focused on improving applicant experience and timeframes – California, Washington, and Massachusetts. In Massachusetts, a \$2.0 million office assists stakeholders with permitting across state-county governments, broadband, and housing. In Washington, legislation created a regulatory assistance office and an Executive Order for regulatory improvements led to a 10-Person Governor's Office for Regulatory Innovation and Assistance that produces a regulatory handbook, provides navigation consultants, an annual report on timeliness of permitting, and develop an e-permitting site for hydraulic project approvals. While state led programs, their efforts often had an intersection with local and federal permitting requirements. Research of these sites and the federal dashboard highlighted activities common with improving regulatory processes.

From these experiences and recent funding for Arizona state agencies, we estimate the ongoing operating cost could evolve to an annual budget of up to \$2.0 million. An annual cost of \$2.0 million is based on research on how efforts to increase permitting efficiency and support for industry evolved in Washington and Massachusetts as well as the annual costs of a small Arizona agency with about 10 staff members.

Local Government Impact

The bill does not place any obligation on city or local governments.

4/8/21