



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 509

PRINTERS NO. 495

PRIME SPONSOR: Rothman

### COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	See Fiscal Impact

**SUMMARY:** House Bill 509, Printer's Number 495, establishes the Permit Administration Act to provide for the administration, tracking and oversight of permit applications by State agencies.

**ANALYSIS:** This bill establishes the Permit Administration Act to provide for the management, tracking and oversight of permit applications by State agencies which administer permits in the Commonwealth. A permit is defined as "an authorization issued by a State agency which approves the performance of a regulated activity. The term includes authorization permits, plan approvals and registrations under a general permit. The term does not include a certification, license or permit issued to an individual for personal use."

The bill directs all State agencies which administer permits to provide for the following:

Initial permit review - Agencies shall conduct an initial review of the agency's permit decisions and permit decision delays for the previous calendar year. State agencies shall submit a report to the General Assembly of the agency's findings within 60 days after the bill's effective date.

Compilation of permits - Agencies shall compile and make available on their websites a complete list of all permits which the agency administers within 90 days of the bill's effective date. The list shall be transmitted to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin and include, but not be limited to the following information: the program under which each permit is issued; statutory and regulatory authority for each permit; time frame within which a state agency must issue each permit; and average time frame within which a permit is actually issued.

Tracking system for permit applications - Agencies shall establish secure tracking systems on the agency's website within 180 days of the bill's effective date for applicants to track the status of permit applications. The tracking system shall include all of the following: the processing time for each permit; dates with each stage of the permit review process; the estimated time remaining for each incomplete phase of the review process; and the identity and contact information for the agency employee assigned to answer questions about the application process.

Notice of Deficient Applications - If an agency finds an application to be incomplete or technically deficient, it shall notify the applicant in writing or electronically of the following: the statute or regulations that requires a correction within the application; reasons why the application is not in conformance with that statute or regulation; and correction or additional information needed for issuance of the permit.

Expiration and Change Notice - Agencies shall notify permit holders in writing of the following: the expiration date of a permit 60 days before it expires; changes to statute or regulations which may affect the permit; and a change in permit fees.

Validity of Permits - Permits issued prior to the effective date of a statute or regulation altering the requirements for the permit shall remain valid under the provisions by which the permit was granted unless otherwise agreed to by all parties.

Third-Party Review - Within 180 days of the effective date of the program, a state agency shall establish a program to review permit decision delays and resolve issues causing these delays. An agency shall contract with a third-party professional to administer this program. Payments to a third-party professional shall consist of the remittance of any fees collected by the agency from applicants whose applications are subject to permit decision delay.

An agency shall immediately after establishing the program refer all applications subject to permit decision delay to a third-party professional. A permit application that becomes subject to delay after the establishment of the program shall be submitted to a third-party professional for review no later than three business days after the application becomes subject to delay.

After a third-party professional reviews all applications subject to delay, and resolves all issues, the professional shall transmit the application to the agency for issuance of the permit.

The bill also requires state agencies to submit a report to the General Assembly containing information about the number permit applications reviewed, the average time frame for decisions and number of state employees reviewing applications. It also states that nothing in the act shall be construed to limit or otherwise alter an agency's authority to revoke a permit for failure to comply with the laws of the Commonwealth.

This legislation would take effect in 60 days upon enactment.

**FISCAL IMPACT:** Enactment of this legislation is expected to increase the administrative and operating costs of those agencies which administer permit applications as a result of the additional requirements of the bill. However, a total cost to Commonwealth funds cannot be determined.

The bill requires state agencies to perform additional duties above current permit management activities such as compiling and listing all permits administered by the agency; establishing a

secure tracking system on the agency website to track the status of permit applications; establishing a third-party program to review permit decision delays and resolve issues; and contracting with a third party-professional to administer this program. The only permit-issuing agency that would be exempt per the legislation would be the PA Game Commission.

Agencies report that personnel costs will increase to meet the additional review cycle and reporting requirements, but administrative and operating costs are expected to be more significant due to the need for information technology (IT) capital improvements, IT contract and design costs, and contract and operating costs related to third-party professional reviewers.

The bill would also reduce available agency revenues from collected applicants' permit fees when used as payments to third-party professionals for permit review.

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**DATE:** April 30, 2019

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*