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How states are improving environmental permitting

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Introduction

The United States faces significant challenges in modernizing its infrastructure and meeting evolving energy needs. One of the obstacles is the complex and time-consuming permitting processes at both the federal and state levels. Although federal permitting reform has captured headlines in recent years, progress has been limited largely due to entrenched interests and partisan disagreement over how best to address permitting delays. Worse, the national debate often remains inward-looking, with limited engagement with insights from other jurisdictions.[1]

Fortunately, state-level permitting reforms present an opportunity to identify best practices that may serve as valuable test cases for broader policy change. When state reforms produce measurable results, they can provide a foundation of evidence to support similar efforts in other jurisdictions, including at the federal level. States enjoy considerable discretion in designing their own environmental review and permitting systems. Many states have adopted innovative approaches in recent years. Reforms may also be easier to enact and implement at the state level, where political environments tend to be more homogeneous and opposition from interest groups less organized.

This report analyzes state-level permitting reforms with the goal of identifying best practices. It seeks to answer several key questions: What kinds of permitting reforms have states enacted? What lessons from these reforms might be transferable to other states or the federal level? What limitations or trade-offs do different reform models present, and how might those challenges be addressed?

This research adopts a qualitative case study approach, collecting examples of state-level permitting reforms and explaining how these reforms are structured. Unlike some state permitting reviews that focus primarily on how states implement federal statutes or on state environmental review laws (sometimes referred to as "Little NEPA" laws), [2] this analysis centers on state-initiated reforms of state permitting systems themselves. While policy outcomes are discussed where evidence is available, the primary goal is descriptive, to document what states have done and to highlight potential models, leaving it to policymakers and others to determine which reforms are best suited to their specific needs.

The findings presented in this report are based on a series of policy briefs written by the author and also published under the Fast Track label, examining permitting reform efforts in individual states. These briefs, which are available on the Competitive Enterprise Institute's website,[3] were peer-reviewed prior to release, typically by subject matter experts familiar with the permitting processes in the states. This report synthesizes and builds upon the research in those briefs to identify best practices and policy lessons with broader relevance.

[1] Mario Loyola, "Global Infrastructure Permitting: A Survey of Best Practices," Competitive Enterprise Institute, 2023, https://cei.org/studies/global-infrastructure-permitting/.

[2] Thomas Hochman, "The State Permitting Playbook," Foundation for American Innovation, November 12, 2024, https://www.thefai.org/posts/the-state-permitting-playbook.

[3] Note that at the time of writing, a number of these reports are done or close to done but have not yet been published.

State-level permitting reform best practices

A review of environmental permitting reforms across states reveals a diverse set of approaches aimed at streamlining processes and improving permitting timelines and efficiency. While each state's regulatory landscape is unique, several common themes and successful strategies have emerged. This section highlights ten best practices observed in states. A summary of the reforms that will be discussed throughout this section appears in Table 1.

Table 1: Best practices by state

Reform idea	Implementing states	Description	Principle(s)
Online permit tracking systems	Virginia, Washington State, Iowa, Arizona, Pennsylvania	Digital platforms allowing tracking and monitoring of permit applications.	Transparency, data-driven decision making, oversight and accountability
Process improvement methodologies	Iowa, Arizona, Colorado	Adoption of business process improvement methods like Lean and Kaizen to streamline permitting processes and eliminate inefficiencies.	Continuous improvement
Expedited permit processing	Louisiana, North Carolina	Programs allowing applicants to pay additional fees for faster review of permit applications.	Flexibility and speed
Third-party reviews	Pennsylvania, Hawaii, Virginia, Tennessee	Systems allowing qualified external professionals to conduct initial reviews of permit applications under agency oversight.	Flexibility and speed, oversight and accountability
Fee refunds and automatic approvals	Pennsylvania, Washington State, Michigan	Policies that require agencies to refund application fees when permitting decisions are not made within established timelines.	Flexibility and speed, oversight and accountability
Interagency coordination teams	Washington State, Pennsylvania, Virginia	Teams or offices bringing together staff from multiple agencies to provide coordinated assistance for complex projects requiring multiple approvals.	Interagency collaboration and coordination, flexibility and speed
Standardized permit application timelines	New York, Arizona, Pennsylvania, North Carolina, Minnesota	Measures to establish consistent timeframes for permit reviews and decisions, often with penalties for agencies missing deadlines.	Standardization and predictability
Comprehensive permit inventories	Pennsylvania, Virginia, Washington State	Efforts to catalog all permits, licenses, and certifications issued by state agencies, helping identify bottlenecks.	Transparency, data-driven decision making
Regular performance reporting	Washington, Minnesota	Consistent publication of reports detailing permitting efficiency, processing times, and improvement efforts across agencies.	Data-driven decision making
Permit appeals	Michigan	Independent, structured processes allowing applicants to challenge permit denials.	Oversight and accountability

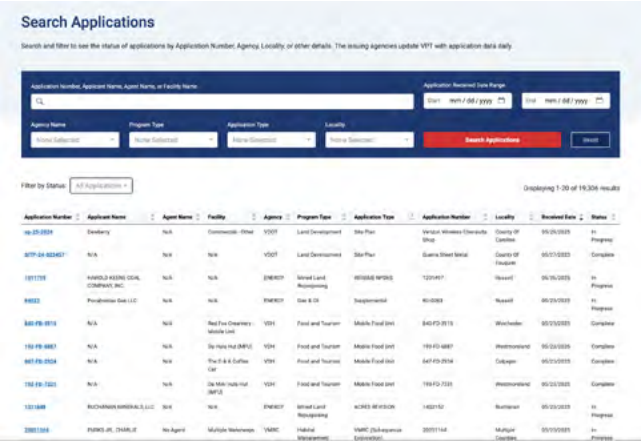
Source: Author's assessment.

Online permit tracking systems: In recent years, several states have overseen the implementation of online permit application tracking systems. These are digital platforms that allow applicants, agency staff, and often the public to monitor the progress of permit applications either in one single location or across various agencies' websites. Such systems enhance transparency and can also improve timeliness by automating workflows and providing valuable data for process improvement.

Virginia's Permitting Transparency System (VPT) stands out as a particularly comprehensive example of this approach (see figure 1).[4] Launched in late 2022 after a four-month beta testing period,[5] VPT was initially introduced by the Virginia Department of Environmental Quality (DEQ) as a pilot program called PEEP (the Permitting Enhancement and Evaluation Platform).[6] Subsequently, most other major permit-issuing departments in the state had their permits included. The publicly-accessible portal provides real-time visibility into pending permits, displaying where permits are procedurally, timelines for next steps, responsible parties, and actual processing times compared to target timeframes.[7] Users can search for permits based on elements like location, applicant, project type, or application number, and view details related to the progression of different stages of each permit review. The tracking system also clearly denotes when permits are awaiting additional materials from applicants versus awaiting processing actions from government reviewers, thereby enhancing accountability for all parties involved.

The Virginia system serves dual purposes. First, government provides improved "customer service" through permit tracking for applicants. Second, the portal provides internal workflow functions for agency personnel since it also provides a centralized project management queue for state government staff, helping with application management and interagency coordination. By setting target timelines and tracking actual processing times for permits, the statewide VPT dashboard also generates performance data that agency leadership and the public can use to diagnose inefficiencies and ensure accountability.[8]

Figure 1: Virginia's permit transparency website



Source: https://permits.virginia.gov/Permit/Search.

Washington State has implemented a different system through its Environmental Services Division Metrics (ESDM) dashboard. This online repository provides annually updated permit processing data, allowing for tracking across different state agencies.[9] The Washington system covers various permit types and includes metrics such as the average and maximum number of days from receipt of applications to them being deemed complete, and from completion to decision. This allows for analysis of timeliness trends over time. For example, while a number of individual permits have seen improved processing times in recent years, average review times appear to be increasing, despite the added transparency (see figures 2 and 3). The difference could be due to increasing numbers of permit applications, or other factors.[10]

4 James Broughel, "Transparency on Tap: Virginia's online permit revolution," (Washington, DC: Competitive Enterprise Institute, June 2024), https://cei.org/studies/transparencyontap/.

5 Becca Madsen, "If You Can Track a Pizza, You Can Track a Permit," Environmental Policy Innovation Center, December 12, 2022, https://www.policyinnovation.org/blog/if-you-can-track-a-pizza-you-can-track-a-permit.

6 Virginia Department of Environmental Quality, DEQ Permitting Enhancement and Evaluation Platform, accessed September 10, 2024, https://portal.deq.virginia.gov/peep-search.

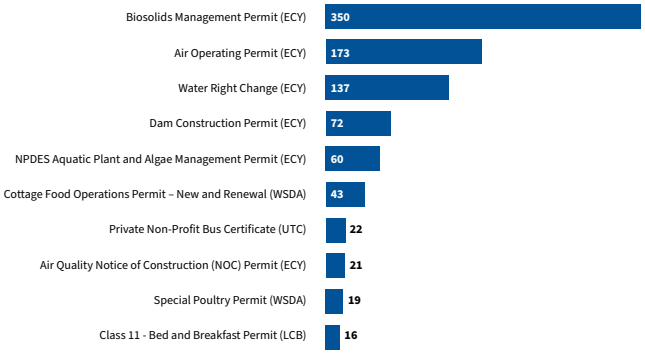
7 "Commonwealth of Virginia: Permit Tracking System," Virginia Permit Transparency, accessed September 10, 2024, https://permits.virginia.gov/; Charlie Paullin, "Virginia launches platform to make environmental permit info public," *Virginia Mercury*, December 16, 2022, https://virginiamercury.com/blog-va/virginia-launches-platform-to-make-environmental-permit-info-public/.

8 James Broughel, "Virginia's New Permitting Portal Is A Model For Other States," *Forbes*, June 14, 2023, https://www.forbes.com/sites/jamesbroughel/2023/06/14/virginias-new-permitting-portal-is-a-model-for-other-states/.

9 "Permit Timeliness -- View," data.wa.gov, accessed September 10, 2024, https://data.wa.gov/dataset/Permit-Timeliness-View/yccr-zbpr/about_data.

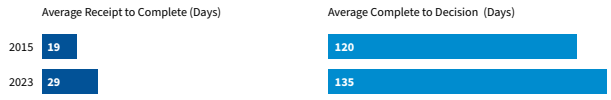
10 James Broughel, "Permanently in Recovery: Washington state's ongoing struggle to streamline permitting," (Washington, DC: Competitive Enterprise Institute, October 2024), https://cei.org/studies/permanently-in-recovery/.

Figure 2: Top 10 most Improved permits in Washington State, by change in days of average processing times, 2017-2019



Source: James Broughel, "Permanently in Recovery: Washington state's ongoing struggle to streamline permitting."

Figure 3: Washington State Review times for the average permit, 2015 and 2023



Source: James Broughel, "Permanently in Recovery: Washington state's ongoing struggle to streamline permitting."

In Iowa, the Department of Natural Resources (DNR) maintains an Environmental Services Division Metrics dashboard that displays data on permits being processed.[11] The Iowa Electronic Application System for Air (Iowa EASY Air) portion of the ESDM dashboard is particularly noteworthy. It allows businesses to submit applications online for construction permits and air quality permits, as well as utilize the State and Local Emissions Inventory System for emissions reporting.[12]

Arizona has also made improvements with its myDEQ portal. Launched in January 2016, myDEQ enables businesses to obtain, modify, terminate, and submit compliance reports for various environmental permits online.[13] The system covers multiple environmental media and regulatory programs, offering e-permitting features for air quality permits, drywell permits, recycled water permits, and fleet station permits, among others.[14] Likewise, Pennsylvania is a state that passed legislation in 2024 mandating the creation of an online tracking system

for environmental permits.[15] The system must show processing timelines, dates, and contact information. In January 2021, the Permit Status Tracker tool was launched.[16]

The benefits of these online tracking systems are several. They provide transparency, allowing applicants to understand exactly where their permits are in the review process and what steps remain. This clarity can help businesses better plan their projects and allocate resources. For agency staff, these systems can streamline processes, reduce data entry errors, and save time. The automated email updates sent by systems like VPT at key milestones help maintain open communication and minimize delays.[17] Moreover, the process of mapping out individual permits in terms of their various application stages can provide insights that lead to improvements.

Relatedly, the data generated by these systems are helpful for ongoing process improvement efforts. By tracking metrics like turnaround times from both agency personnel and external applicants at each stage of permit applications, agencies can identify bottlenecks more easily, as well as which party is responsible for delays.

As states continue to work on these systems, opportunities for further enhancement will likely emerge. For instance, integrating more permits from additional agencies, as Virginia is doing, can provide a more comprehensive view of the regulatory landscape. Adding enforcement mechanisms, such as automatic approval of permits or refunds of application fees if deadlines are missed (as some states are doing),[18] could further incentivize timely processing.

11 "Introduction to Environmental Services Division Metrics," Iowa Department of Natural Resources, accessed September 10, 2024, https://experience.arcgis.com/experience/f57d1f8a00f1444596d5045ee6dc6798.

12 "eAirServices," Iowa Department of Natural Resources, accessed August 26, 2024 https://www.iowadnr.gov/environmental-protection/air-quality/eairservices.

13 Arizona Department of Environmental Quality, "myDEQ Environmental Compliance Portal: Government at the Speed of Business," 2018, https://www.nascio.org/wp-content/uploads/2020/09/NASCIO-2018-Submission-DEQ.pdf#:~:text=Since%20launching%20in%20January%202016,involved%20in%20permitting%20and%20compliance.

14 "myDEQ Services," Arizona Department of Environmental Quality, accessed September 10, 2024, https://azdeq.gov/mydeq-services.

15 Pennsylvania House Bill No. 2310, Regular Session, 2023-2024.

16 Commonwealth of Pennsylvania, "Shapiro Administration Launches New Permit Tracker; Businesses Applying for DEP Permits Can Now See Progress in Real-Time," January 16, 2025, https://www.pa.gov/agencies/oa/newsroom/shapiro-administration-launches-new-permit-tracker--businesses-a.html.

17 James Broughel, "Transparency on Tap: Virginia's online permit revolution."

18 Pennsylvania H.B 2310 – 2024 Session, https://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?syear=2023&sind=0&body=H&type=B&bn=2310; Arizona HB 2019, 2023, Fifty-sixth Legislature, 1st Regular Session, https://legiscan.com/AZ/bill/HB2019/2023.

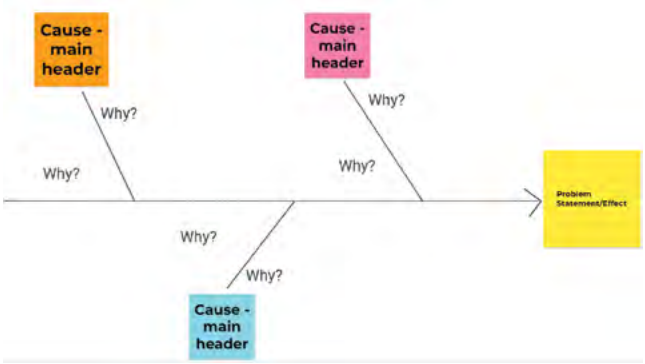
Process improvement: Another trend in state-level permitting reform has been the adoption of business process improvement methodologies, particularly Lean and Kaizen. Lean is a process improvement methodology originally developed in the manufacturing sector, most notably at Toyota, with the goal of maximizing value by eliminating waste and reducing inefficiencies. It emphasizes continuous improvement, customer focus, and employee involvement. A Kaizen event (from the Japanese word *Kaizen*, meaning "change for better") is a focused, short-term project, typically lasting three to five days, in which a cross-functional team analyzes a specific process and implements rapid improvements. These events follow a structured sequence of mapping out the current process, identifying inefficiencies or bottlenecks, and brainstorming solutions, before eventually testing changes and then standardizing successful practices. In the context of environmental permitting, Kaizen events are used to reduce permit backlogs, shorten review timelines, and improve coordination across agency staff.

Iowa is one state that has been at the forefront of implementing these methodologies. Iowa's efforts began in 2003 when the Iowa Department of Natural Resources (DNR) held its first Kaizen improvement event focused on its Air Quality New Source Construction Permit.[19] The initiative was sparked by concerns raised by a local business coalition about the burdensome nature of obtaining pollution permits.

According to a 2011 summary, through these Lean efforts the state managed to reduce permit issue time frames from 214 days to 180 days for complex permits and from 62 days to six days for certain New Source Review (NSR) permits.[20] The success of these initial efforts led to an official partnership between the state and Iowa business leaders, resulting in over 400 sponsored events occurring across the executive branch.[21]

Iowa's commitment to these methodologies was further solidified when the legislature passed a law in 2009 creating the Lean Enterprise Office within the Department of Management.[22] The state also participated in an Environmental Protection Agency-organized workgroup to produce a Lean Starter Kit as a resource for other states.[23] Iowa's Department of Management website offers a host of Lean tools and resources targeted at state employees, emphasizing the identification of root causes of problems and process breakdowns (see figure 4).[24]

Figure 4: The Fishbone Diagram: An example of a lean cause-and-effect tool



Source: "Fishbone Diagram," Iowa Department of Management, accessed August 26, 2024, https://drive.google.com/file/d/1P-3WivL7P9fXpK2NdbThP5UqcICWQxT1/view.

Note: The fishbone diagram is a structured brainstorming process that assists a team to get beyond symptoms to address root causes of a problem. Participants are asked to brainstorm all possible causes of the problem using major categories to help organize.

Arizona has also embraced these methodologies, particularly within its DEQ. ADEQ's strategic plans highlight the Lean Management System as a driver of its process reforms.[25] The agency reports completing over 300 process improvement projects since beginning its Lean efforts in 2012, many of which impacted permitting processes.[26]

Colorado, too, has utilized Lean methodologies in its permitting reform efforts. The state's Department of Public Health and Environment (DPHE) employed Lean process improvement to increase efficiency in its wastewater application process, design review process, and air permitting.[27] These efforts were part of a broader "Pits and Peeves" initiative aimed at eliminating unnecessary red tape and regulatory bottlenecks across Colorado state government.[28]

19 James Broughel and Patricia Patnode, "Corn Whiskey Clarity: The Iowa DNR's Spirited Approach to Permitting Reform," Competitive Enterprise institute FastTrack Report, forthcoming 2024.

20 Department of Energy and Environmental Protection for the State of Connecticut, "New Source Review (NSR) Permit Streamlining Efforts of Other Agencies," 2011, p. 3, https://www.4cleanair.org/wp-content/uploads/2021/01/CTFasterPermitting_0.pdf.

21 James Broughel and Patricia Patnode, "Corn Whiskey Clarity: The Iowa DNR's Spirited Approach to Permitting Reform," forthcoming.

22 SF 98 -- Establishing a lean enterprise office within the department of management, 83rd General Assembly, https://www.legis.iowa.gov/legislation/BillBook?ba=SF%2098&ga=83.

23 Environmental Protection Agency and Environmental Council of States, "Lean in Government Starter Kit Version 4.0," 2017, acknowledgments page, https://www.epa.gov/sites/default/files/2017-11/documents/lean-starter-kit-version-4.pdf.

24 "Lean Enterprise," Iowa Department of Management, accessed August 26, 2024, https://dom.iowa.gov/state-government/lean-enterprise.

25 Arizona Department of Environmental Quality, "Fiscal Year 2024 Strategic Plan 2-pager," July 14, 2023, https://static.azdeq.gov/about/fy24_stratplan.pdf.

26 Arizona Department of Environmental Quality, "ADEQ Strategic Plan: FY18 Updated to FY14-FY18 Plan," p. 8.

27 Department of Regulatory Agencies, "Cutting Red Tape in Colorado State Government: Omnibus report to the Governor on the 'Pits and Peeves' Roundtables Initiatives," State of Colorado, December 2011, p. 28.

28 James Broughel and Dustin Chambers, "Learning from State Regulatory Streamlining Efforts," National Governors Association, July 1, 2022, https://www.nga.org/publications/learning-from-stateregulatory-streamlining-efforts/.

The benefits of these kinds of process improvement methodologies in permitting reform are multifaceted. In Iowa, for example, the DNR created a dedicated team to tackle the air permit backlog, a move that allowed for focused attention on this priority issue. The team reduced the number of steps from 23 to just 7, and cut down permit handoffs from 18 to 4, eliminating complexity and potential points of delay. The agency also made practical changes, such as reorganizing staff offices to improve communication and collaboration. These efforts resulted in more complete air construction permit applications being submitted by applicants, likely due to clearer requirements and expectations. The combined efforts led to the elimination of a backlog of 600 air construction permits.[29]

As states continue to refine their use of Lean and Kaizen methodologies in permitting processes, there are opportunities for further innovation. For example, integrating these approaches with data analytics from online permit tracking systems could provide insights to guide Kaizen events. Cross-state sharing of best practices and lessons learned could accelerate the adoption and effectiveness of Lean methodologies. Some of this has gone on already through collaborations with the national Environmental Protection Agency, which has worked to share best practices of some states with others across the nation.[30]

Expedited permit processing: Some states have implemented expedited permit processing programs that allow applicants to pay additional fees for faster review of their permit applications. Louisiana, Virginia, and Pennsylvania offer notable examples of this approach.

Louisiana established its Expedited Permit Program in 2006, allowing applicants to pay overtime costs incurred by DEQ staff or contractors to accelerate the processing of environmental permits, modifications, licenses, registrations, or variances.[31] The program prioritizes applications for new construction and those that increase production or provide employment opportunities or environmental benefits. Fees are based on the maximum per-hour overtime salary, including associated benefits, of the civil service employee or contractor performing the work.[32]

Louisiana's program works as follows:

1. Applicants submit a request for expedited processing using an approved form.
2. The administrative authority has 10 working days to decide whether to grant or deny the request.
3. Applicants can request a maximum amount for the expedited processing fee, which limits the number of overtime hours worked on their application.
4. The DEQ must provide public notice of each request for expedited processing to ensure transparency.[33]

North Carolina has also implemented expedited permitting procedures through its Express Permitting Program,[34] which offers faster reviews for certain development permits in exchange for higher fees. The fee structure varies by permit type.[35]

These states' programs aim to reduce bottlenecks by offering expedited solutions to resolve the problem of permitting delays. They also help address the common complaint that agency resources and staff are inadequate to deal with the backlog of permits, without increasing burdens on taxpayers. This approach has found success at the federal level on drug approvals through the Prescription Drug User Fee Act (PDUFA),[36] which allows pharmaceutical companies to pay user fees to the FDA in exchange for faster review timelines, enabling the agency to hire additional staff and improve review processes without relying solely on congressional appropriations.

Third-party reviews: In 2024, Pennsylvania established the Streamlining Permits for Economic Expansion and Development (SPEED) Program.[37] This program allows applicants to request expedited review of eligible permits by paying for the services of qualified third-party professionals to conduct initial reviews.

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29 Environmental Protection Agency and Environmental Council of States, "Working Smart for Environmental Protection: Improving State Agency Processes with Lean and Six Sigma Lean in Government Series," 2008, pp. 33-36, https://www.epa.gov/sites/default/files/2013-11/documents/leangovtprimer.pdf.

30 Environmental Protection Agency, "Working Smart for Environmental Protection Improving State Agency Processes with Lean and Six Sigma Lean in Government Series."

31 "Expedited Permit Program and NOC-1 Form," Louisiana Department of Environmental Quality, accessed September 11, 2024, https://deq.louisiana.gov/page/expedited-permit-program.

32 Louisiana Administrative Code 33 § 1803(A)(1).

33 Louisiana Administrative Code 33 § 1809.

34 "Express Permitting," North Carolina Department of Environmental Quality, accessed April 2, 2025, https://www.deq.nc.gov/accessdeq/express-permitting.

35 DEQ, "Express Application Review Fees," February 2022, https://www.deq.nc.gov/environmental-assistance-and-customer-service/permit-assistance/express-application-fee-chart/download.

36 "PDUFA," PhRMA, accessed April 2, 2024, https://phrma.org/policy-issues/research-development/pdufa.

37 Pennsylvania House Bill No. 2310, Regular Session 2023-2024, https://www.legis.state.pa.us/cfdocs/billInfo/billInfo.cfm?sYear=2023&sInd=0&body=H&type=B&bn=2310.

Key features of Pennsylvania's SPEED Program include:

1. The Department of Environmental Protection (DEP) identifies eligible permits and maintains a list of qualified professionals.
2. Applicants can request to participate in the program when submitting their permit application.
3. The DEP selects a qualified professional to conduct an initial comprehensive review of the permit application.
4. The qualified professional must complete the review within a timeline established by the DEP that will enable a permit decision within the standard permit decision timeline.
5. The DEP conducts a final review based on the qualified professional's recommendation.
6. If the DEP fails to issue a permit decision within the specified timeline, the application is subject to priority review, with potential refunds to the applicant if further delays occur.[38]

Hawaii is another example of a state that has experimented with third-party reviews that allow qualified external professionals to conduct initial assessments. In response to the 2023 Maui wildfires, Maui County established the Recovery Permitting Center, contracting with 4LEAF, Inc., a private firm specializing in post-disaster recovery.[39] This initiative significantly accelerated review times, with average approvals processed in approximately 73 days, which is down from the county's typical 200-day timeline.[40] Some disaster recovery permits are issued in as few as 15 business days.[41]

The Hawaii experience mirrors similar efforts in states like Virginia, whose DEQ enables expedited approvals for stormwater and erosion plans when submitted by licensed engineers.[42] North Carolina offers third-party reviews for some local building permits.[43] Yet another example comes from Tennessee, which enacted legislation in 2024 allowing developers to hire certified third-party reviewers for building, sewage, and wetlands inspections,

with strict conflict-of-interest provisions and dual oversight by local agencies and the state fire marshals.[44] The law requires local jurisdictions to respond within 10 business days, or applicants may seek approval through the state.

These examples highlight the growing role of third-party review systems as a practical solution to permitting delays, particularly when agency capacity is limited. By leveraging qualified external experts under agency oversight, states can increase throughput without compromising regulatory standards. A word of caution is necessary with such approaches, however. For example, in Honolulu, Hawaii, past audits of the Department of Planning and Permitting revealed quality control problems in its third-party review program,[45] highlighting the need to maintain oversight and enable pushback from state authorities when third-party oversight is lax.

Permit refunds and automatic approvals: In contrast to expedited permitting programs where applicants can pay additional fees for faster processing, some states have adopted a "money-back guarantee" model that holds agencies accountable for meeting deadlines by refunding application fees if processing targets are missed. Pennsylvania reinstated such a policy through Gov. Josh Shapiro's PAyback initiative.[46] A revival of a similar program from the 1990s,[47] it requires agencies to set clear deadlines and offer refunds if those deadlines are not met. Likewise, Washington State's Executive

[38] Pennsylvania House Bill No. 2310, Regular Session 2023-2024.

[39] 4Leaf, Inc., "Home," accessed April 2, 2025, https://www.4leafinc.com/.

[40] Ted Kefalas, "Allow hiring third parties to help with historic property reviews," Testimony before the Hawaii House Committee on Housing, January 31, 2025, https://www.grassrootinstitute.org/2025/01/allow-hiring-third-parties-to-help-with-historic-property-reviews/.

[41] Colleen Uechi, "Over 30 rebuilding permits have been issued after the fire. Here's how some Lahaina homeowners did it," Hawai'i Journalism Initiative, July 3, 2024, https://mauinow.com/2024/07/03/over-30-rebuilding-permits-have-been-issued-after-the-fire-heres-how-some-lahaina-homeowners-did-it/.

[42] Daniel Fanning and Megan Caldwell, "Construction Stormwater Permitting in Virginia," Husch Blackwell, October 16, 2023, https://www.climatesolutionslaw.com/2023/10/construction-stormwater-permitting-in-virginia/; JD Supra, "Construction Stormwater Permitting Changes in Virginia," September 6, 2023, https://www.jdsupra.com/legalnews/construction-stormwater-permitting-4959105/.

[43] N.C. Senate Bill 677, 2023-2024 Session, https://www.ncleg.gov/BillLookup/2023/S677.

[44] Tennessee HB 1892, 113th General Assembly, 2023-2024 Session, https://legiscan.com/TN/bill/HB1892/2023.

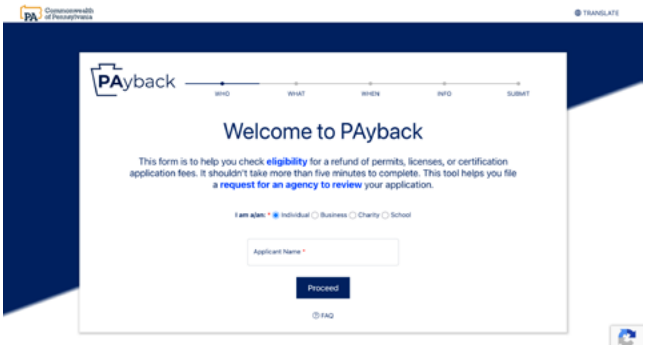
[45] Andrew Walden, "Audit: Caldwell Admin Signed off on 'Deficient' Building Permits for Three Years," *Hawaii Free Press*, May 7, 2022, https://www.hawaiifreepress.com/Articles-Main/ID/31503/Audit-Caldwell-AdminSigned-off-onDeficient-Building-Permits-for-Three-Years.

[46] Welcome to PAyback," Commonwealth of Pennsylvania, accessed April 2, 2025, https://payback.pa.gov/Home/Who.

[47] Gov. Thomas J. Ridge, Executive Order 1995-5, "Money-Back Guarantee Permit Review Program for the Department of Environmental Protection," August 23, 1995, https://drive.google.com/file/d/1qfBFA8k_P7ROJJpInsCbnrmruZCQULWE8jinYY87kVJsUpbtCdZA066jqFV7/view.

Order 25-03 mandates that agencies refund permit fees if they fail to process complete applications within published timelines.[48] Implementing automatic approval mechanisms if deadlines are not met, such as Arizona has done,[49] is an example of a refinement on this reform model.

Figure 5: Pennsylvania's PAyback portal



Source: https://payback.pa.gov/Home/Who.

Michigan's money-back guarantee policy was established in 2018 and strengthened through subsequent executive directives. The law requires the Department of Environment, Great Lakes, and Energy to refund part of the permit fee—either 15 percent of the application fee or the first recurring charge—if it fails to issue a decision within the statutory timeline.[50] For certain permits, the law allows for automatic approvals if the agency fails to act within the required timeframe. Building on this, Executive Directive 2023-4 expanded the policy by mandating full fee refunds when agencies miss newly established benchmark processing times.[51]

The money-back guarantee policies offer an alternative means of incentivizing timely permit reviews without requiring applicants to pay extra. This model shifts the risk of delay away from applicants and onto regulators, thereby encouraging faster approvals while maintaining fairness if some applicants can't afford the higher expedited permit fees.

Interagency coordination teams: These teams have emerged as another approach to streamline permitting processes, specifically for complex projects that require approvals from multiple agencies. Two notable examples which have achieved very different results are Washington State's Multi-Agency Review Team (MART) and Colorado's past efforts with the Colorado Joint Review Process (CJRP) and Colorado Coordination Council.

Washington's MART, established as a working group under the Puget Sound Federal Leadership Task Force, brings together staff from relevant federal, state, and local permitting agencies to provide coordinated assistance to applicants navigating the permitting landscape for habitat recovery projects in the Puget Sound Basin.[52] The MART process is designed to expedite permitting for projects that are ecologically beneficial, located in priority watersheds, and ready to be permitted.[53]

MART's approach includes developing contact lists for permitting staff at each relevant agency, holding pre-application meetings with applicants, conducting site visits, and providing guidance on each agency's specific permit requirements and any available expedited pathways. The team also holds monthly check-in meetings to monitor progress and troubleshoot issues.[54]

Colorado's efforts, meanwhile, while similar in intent, have faced challenges in sustaining stakeholder engagement. The Colorado Joint Review Process, created in 1983, and its successor, the Colorado Coordination Council, established in 2003, were both designed to coordinate permitting processes for large energy,

48 Gov. Bob Ferguson, "Executive Order 25-03: Improving Transparency and Building Efficiency in the State's Permitting and Licensing Processes," January 15, 2025, https://governor.wa.gov/sites/default/files/exe_order/25-03%20-%20Permit%20Fees.pdf.

49 Arizona HB 2019, 2023.

50 Michigan Senate Bill No. 653, 99th Legislature Regular Session of 2018, https://www.legislature.mi.gov/documents/2017-2018/publicact/pdf/2018-PA-0268.pdf.

51 Gov. Gretchen Whitmer, "Executive Directive No. 2024-4: Expediting Permit Applications & Adding Accountability Measures," August 3, 2023, https://www.michigan.gov/whitmer/news/state-orders-and-directives/2023/08/03/executive-directive-20234-expediting-permits-and-adding-accountability-measures.

52 "Multi-Agency Review Team," Puget Sound Partnership, accessed June 19, 2024, https://www.psp.wa.gov/MART.php.

53 "How the Multi-Agency Review Team (MART) Works," Puget Sound Partnership, accessed June 19, 2024, https://www.psp.wa.gov/how-MART-works.php.

54 "How the Multi-Agency Review Team (MART) Works," Puget Sound Partnership.

water, and mining projects.[55] However, both initiatives struggled to achieve their intended goals and were ultimately allowed to sunset by the state legislature due to underutilization.[56]

Washington's MART may be more successful than Colorado's past efforts for several reasons. First, MART operates within a confined geographic space—the Puget Sound Basin—which allows the team to develop specialized expertise and strong working relationships. Second, MART has a clear, unified objective of advancing Puget Sound recovery, providing a compelling motivation for agencies to work together. Third, by focusing on a discrete subset of projects that meet specific ecological and readiness criteria, MART can target its efforts for maximum effect. In contrast, Colorado's initiatives may have struggled due to their broader scope and lack of a unifying goal. The Colorado Coordination Council, for instance, was voluntary and only convened at the request of a project sponsor,[57] which probably limited its visibility and utilization.

At the same time, it's important to note some potential drawbacks with the MART model, particularly the risk of creating an uneven playing field. A trend toward targeted, sector-specific permitting reforms could lead to a system where certain industries receive preferential treatment and the industry is not allowed to evolve in an efficient or natural way. For instance, New York's creation of the Office of Renewable Energy Siting (ORES) in 2020 specifically aims to expedite large-scale renewable energy projects.[58] Washington State has done something similar with its Clean Energy Coordinated Permit Process, established in 2023.[59] Minnesota is another example of this trend through its 2024 reforms, which exempted many wind, solar, and energy storage projects from certificate of need requirements, and relaxed requirements for transmission lines, particularly those connecting renewables to the grid.[60] These are changes that might make sense when viewed in isolation. However, when considering that requirements were simultaneously being added to other energy sources, such as natural gas pipelines, the 2024 law is likely to give an unfair advantage to certain technologies over others.

While such prioritization may align with broader policy goals, it risks creating disparities in the permitting process, potentially disadvantaging other industries or smaller projects that may also have economic or environmental merit. Such one-sided approaches will likely lead to unintended consequences, such as reduced economic diversity or missed opportunities in non-prioritized sectors. Therefore, while interagency coordination models like MART can be effective, policymakers must be cautious about applying them too narrowly, ensuring that efforts to streamline permitting processes are balanced and do not unduly favor some industries or technologies at the expense of others.

The creation of centralized permitting oversight offices offers an alternative to interagency teams by providing consistent leadership and goals in cross-agency coordination. In Virginia, the Office of Regulatory Management (ORM) was established by an executive order in 2022,[61] plays a role in overseeing regulatory and permitting reforms across the executive branch. Among its responsibilities is the review of all proposed regulations and guidance documents, including those affecting permitting, as well as oversight and management of the VPT portal.[62] Similarly, Pennsylvania's Office of Transformation and Opportunity (OTO), created in 2023 by Gov. Josh Shapiro,[63] functions as a one-stop shop for businesses navigating permitting and licensing requirements. The office not only coordinates across agencies to expedite approvals but also works to set agency-specific permit review timelines, identify process inefficiencies, and facilitate economic development.[64] Both offices exemplify how centralized oversight can help

55 State of Colorado, "2015: Colorado's Water Plan," 2015, p. 9-39, https://dnrweblink.state.co.us/cwcbsearch/0/edoc/201074/CWPFinalPlan2016.pdf?searchid=515f53d7-aaff-4c6e-89c2-cd632d6915d2.

56 Department of Regulatory Agencies, "2012 Sunset Review: Colorado Coordination Council," Office of Policy, Research and Regulatory Reform, October 15, 2012, p. 4, http://hermes.cde.state.co.us/drupal/islandora/object/co:11832/datastream/OBJ/view.

57 Department of Regulatory Agencies, "2012 Sunset Review: Colorado Coordination Council," p. 6.

58 "About the Office of Renewable Energy Siting," Office of Renewable Energy Siting, accessed June 19, 2024, https://ores.ny.gov/about-office-renewable-energy-siting.

59 "Clean Energy Coordinated Permit Process," State of Washington Department of Ecology, accessed September 13, 2024, https://ecology.wa.gov/regulations-permits/sepa/clean-energy/clean-energy-coordinated-permit-process.

60 "Minnesota Legislature Passes Historic Permitting Reform Bill," Fredrikson, May 22, 2024, https://www.fredlaw.com/alert-minnesota-legislature-passes-historic-permitting-reform-bill.

61 Gov. Glen Youngkin, Executive Order Number 19, June 30, 2022, https://www.governor.virginia.gov/media/governorvirginiagov/governor-of-virginia/pdf/eo/EO-19-Development-and-Review-of-State-Agency-Regulations.pdf.

62 "Virginia Permit Transparency (VPT)," Office of Regulatory Management, accessed April 3, 2025, https://www.orm.virginia.gov/priorities-and-initiatives/virginia-permit-transparency/.

63 Gov. Josh Shapiro, Executive Order 2023-05, "Pennsylvania Office of Transformation and Opportunity," January 24, 2023, https://www.oa.pa.gov/Policies/eo/Documents/2023-05.pdf.

64 The OTO in Pennsylvania has implemented the PA Permit Fast Track Program, drawing inspiration from the federal FAST-41 process. Established by Gov. Josh Shapiro through Executive Order 2024-04, this program aims speed up the permitting process for significant economic development and infrastructure projects. A similar process has been set up in Michigan. See Gov. Josh Shapiro, "Executive Order 2024-04 – PA Permit Fast Track Program," November 19, 2024, https://www.pa.gov/content/dam/copapwp-pagov/en/governor/documents/eo-2024-04_pa%20permit%20fast%20track%20program.pdf; and Gov. Gretchen Whitmer, "Executive Directive No. 2022-6: Streamlining Permitting," June 1, 2022, https://www.michigan.gov/whitmer/-/media/Project/Websites/Whitmer/Documents/Exec-Directives/ED-20226-Streamlining-Permitting-final.pdf.

align permitting systems with broader state priorities, reduce redundancy, and enhance accountability.

Standardized application timelines: Several states have implemented measures to standardize permit timelines. New York, Arizona, and Pennsylvania offer notable examples of this approach, each with its own unique features.

New York's Uniform Procedures Act (UPA) was enacted in 1977 and established a framework for standardizing permitting procedures across various environmental programs at the Department of Environmental Conservation (DEC).[65] The UPA introduced consistent procedures and timeframes for reviewing permit applications, distinguishing between minor and major projects with different review processes for each. Under the law, the DEC must notify applicants within 15 calendar days whether their application is complete.[66] Once applications are deemed complete, the UPA mandates specific timeframes for DEC to make final permit decisions: 45 days for minor projects, 90 days for major projects if no hearing is held, and 60 days after the close of hearing records if a hearing is held.[67]

Arizona took a different approach with its Permit Freedom Act of 2023, which established criteria and timelines for local permit decisions statewide.[68] The law requires municipalities and counties to specify "in clear and unambiguous language" the criteria for granting or denying permits for activities that change the use, appearance, or density of a structure or land. Local governments must approve or deny permit applications within 60 days after a submittal is deemed administratively complete, unless another timeframe is specified by municipal ordinance or state or federal law. Importantly, the law stipulates that an application is deemed approved if the government fails to act within the specified timeframe, creating a strong incentive for timely processing.[69] The Arizona law also provides for meaningful judicial review of permit denials, instructing judges to determine whether the approval criteria language is clear and unambiguous, without deference to previous determinations made by the municipality or county.[70]

Pennsylvania has implemented a notable program to standardize permit timelines: the Permit Decision Guarantee (PDG). The PDG, established by Executive Order 2012-11, aims to provide predictable timeframes for permit reviews.[71] The program sets permit decision timelines for various permit types (recognizing that some permit types take longer) requires technical staff to conduct thorough reviews of applications and to provide consolidated technical deficiency letters, and establishes clear rules for withdrawing and resubmitting applications that fail to meet technical requirements.[72] The state OTO enforces the principles behind the PDG by assisting with the development of clear and consistent review benchmarks.

North Carolina has implemented shot clocks for commercial and multifamily building permits. Under this 2023 reform, local governments must schedule pre-submittal meetings within five days of a developer's request, followed by a mandatory 45-day review window for most plans, and 60 days for more complex at-risk permits like those for foundations or structures.[73] The reform also allows for third-party reviews by licensed architects or engineers, enabling applicants to bypass potential municipal bottlenecks and helping to ensure timely feedback and decisions.

To address challenges meeting standardized permit timelines, states can consider implementing a tiered system of timelines based on project complexity or potential environmental impact. This is what states like New York have done by distinguishing between major and minor projects. Likewise, Minnesota adopted a two-tiered system under its 2014 reforms, setting a 90-day goal for routine Tier 1 permits that don't require public comment, and a 150-day goal for more complex Tier 2 permits.[74]

Yet another model can be found at the federal level with the Council on Environmental Quality. Until recently, it issued regulations governing the NEPA process at federal agencies.[75] Subsequently, requirements have been

[65] David Miller, "Efficiency and Environmentalism: The Case for Uniform Procedures Acts in State Environmental Laws," *Rutgers Journal of Law & Public Policy* Vol. 10, No. 4, 2013, p. 435-473.

[66] N.Y. Envtl. Conserv. Law § 70-0109.

[67] N.Y. Envtl. Conserv. Law § 70-0109.

[68] Arizona H.B. 2019, 2023, Fifty-sixth Legislature, 1st Regular Session, https://legiscan.com/AZ/bill/HB2019/2023.

[69] Arizona H.B. 2019, 2023, Fifty-sixth Legislature, 1st Regular Session.

[70] Arizona H.B. 2019, 2023, Fifty-sixth Legislature, 1st Regular Session.

[71] Gov. Tom Corbett, Executive Order 2012-11, "Permit Decision Guarantee for the Department of Environmental Protection," July 24, 2012.

[72] Pennsylvania Department of Environmental Protection, Office of Program Integration, "Policy for Implementing the Department of Environmental Protection Permit Review Process and Permit Decision Guarantee," November 2, 2012, https://files.dep.state.pa.us/programintegration/permitdecisionguaranteeportalfiles/Draft_PRP_and_PDG_8-22-12.pdf.

[73] N.C. Senate Bill 677, 2023-2024 Session, https://www.ncleg.gov/BillLookup/2023/S677.

[74] H.F. 2543 – Environmental Permitting and Regulatory Modifications, 88th Legislature, 2013 – 2014, https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF2543&y=2014&ssn=0.

[75] Council on Environmental Quality, "Removal of National Environmental Policy Act Implementing Regulations," *Federal Register* Vol. 90, No. 36, 10610-10616, https://www.federalregister.gov/documents/2025/02/25/2025-03014/removal-of-national-environmental-policy-act-implementing-regulations.

imposed in guidance.[76] These instructions create standard procedures for federal agency environmental reviews, even while specific agencies supplement these uniform practices with their own specific regulations.[77]

Comprehensive permit inventories: These inventories are yet another tool that has shown up in states. Permit inventories provide an overall picture of the permitting landscape and can be used to support other opportunities for improvement, such as timelines and online tracking systems. Pennsylvania, Washington, and Virginia offer notable examples of this approach.

In Pennsylvania, Gov. Josh Shapiro signed an executive order in 2023 mandating state agencies to catalog and create inventories of all permits, licenses, and certifications under their purview.[78] The inventory process in Pennsylvania revealed the scale of the state's regulatory apparatus. The DEP alone identified 784 unique permits or licenses issued by the department.[79] The Department of State identified more than 900 permits and licenses.[80] In total, there were 2,482 permits, licenses, and certifications identified across state agencies.[81]

This process of creating a comprehensive inventory complemented Pennsylvania's existing PDG program, which sets timelines for permit reviews. By combining the inventory with the PDG, the state was able to make its PDG program comprehensive and to pinpoint which permits lacked timelines, enabling further targeted reforms.

Virginia's approach to permit inventory and process improvement offers another instructive example. As part of the VPT initiative, state agencies involved in the project were required not only to identify their permits but also to map out each step of the permit application process.[82] By visualizing the entire permitting process, from application submission to final decision, Virginia agencies were able to pinpoint specific stages where delays commonly occurred. This detailed process mapping allows for targeted improvements, such as eliminating redundant steps. The exercise also facilitated the development of Virginia's online permitting portal, discussed above, by providing a clear blueprint for the digital workflow.

Finally, in Washington State Executive Order 25-03, issued in 2025, requires all state permitting agencies to compile a detailed catalog of the permits, licenses, and certifications they issue.[83] The catalog must include processing times, legal authorities, application methods, fee structures, and recommendations for streamlining. Washington State's permit timeliness data repository could also be viewed as an example of an inventory of state permits.[84] The benefits of comprehensive permit inventories are multifaceted. They provide transparency to businesses and the public, allowing for better planning and accountability. They help identify redundancies and opportunities for consolidation across agencies. And they provide valuable data for ongoing reform efforts, allowing states to target their resources where they're needed most.

Regular performance reporting: Regular reporting is another tool states are utilizing to improve their permitting processes. Washington State's Permit Timeliness initiative, spearheaded by the Governor's Office for Regulatory Innovation and Assistance (ORIA), offers an example of consistent reporting. Since the initiative's inception following a 2013 performance audit,[85] ORIA has published five comprehensive progress reports detailing the results of permit streamlining efforts.[86] These reports compile data from 14 state agencies covering more than 150 different permit types.[87]

The Washington reports analyze trends in timeliness and highlight areas where agencies are making headway or encountering obstacles. For each agency and permit type, they report the average and maximum time for completing reviews of an application, along with the

[76] Council on Environmental Quality, "Memorandum for Heads of Federal Departments and Agencies: Implementation of the National Environmental Policy Act," February 19, 2025, https://ceq.doe.gov/docs/ceq-regulations-and-guidance/CEQ-Memo-Implementation-of-NEPA-02.19.2025.pdf.

[77] "Agency NEPA Implementing Procedures," Council on Environmental Quality, accessed April 3, 2025, https://ceq.doe.gov/laws-regulations/agency_implementing_procedures.html.

[78] Gov. Josh Shapiro, Executive Order 2023-07, "Building Efficiency in the Commonwealth's Permitting, Licensing, and Certification Processes," January 31, 2023, https://www.oa.pa.gov/Policies/eo/Documents/2023-07.pdf.

[79] Pennsylvania Right-to-Know Request, Dec 18, 2023, data available from author upon request.

[80] Charlotte Keith, "Switch to Pa.'s Corporate Filing System Led to Backlog and Longer Waits for Business Owners," *Spotlight PA*, April 25, 2023, https://www.spotlightpa.org/news/2023/04/pa-business-filings-delayed/.

[81] Pennsylvania Right-to-Know Request, Dec 18, 2023, data available from author upon request.

[82] James Broughel, "Virginia's New Permitting Portal Is A Model For Other States," *Forbes*, June 14, 2023, https://www.forbes.com/sites/jamesbroughel/2023/06/14/virginias-new-permitting-portal-is-a-model-for-other-states/.

[83] Gov. Bob Ferguson, "Executive Order 25-03: Improving Transparency and Building Efficiency in the State's Permitting and Licensing Processes," January 15, 2025, https://governor.wa.gov/sites/default/files/exe_order/25-03%20-%20Permit%20Fees.pdf.

[84] "Permit Timeliness – View," data.wa.gov, accessed November 11, 2024, https://data.wa.gov/dataset/Permit-Timeliness-View/yccr-zbpr/about_data.

[85] Washington State Auditor's Office, "Regulatory Reform: Improving Permit Timeliness," Report number: 1010778, December 30, 2013, https://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1010778&isFinding=false&sp=false.

[86] "ORIA Performance Reports," Governor's Office of Regulatory Innovation and Assistance, accessed September 12, 2024, https://www.oria.wa.gov/site/alias__oria/400/Publications.aspx#anchor-2915.

[87] Governor's Office for Regulatory Innovation and Assistance, *Permit Timeliness Report 2020,* September 2020, https://www.oria.wa.gov/Portals/_oria/VersionedDocuments/Regulatory_Improvement/ORIA-2020-PermitTimelinessProgressReport.pdf.

number of applications received. This allows for tracking changes in timeliness over the years, identifying where processing speed has increased or slowed down. The reports also describe specific improvement efforts undertaken by each agency, such as deploying new software to streamline workflows, improving application instructions, or dedicating more staff to processing.[88]

Minnesota's approach to performance reporting, while similar in intent, has a different origin and structure. Following an executive order of Gov. Mark Dayton's related to permitting reform in 2011,[89] the Minnesota Legislature enacted the Permitting Efficiency Law to ensure expedited permitting.[90] Among other things, the law requires the state Pollution Control Agency and the Department of Natural Resources to submit annual reports detailing their performance in meeting established permitting goals. The Minnesota reports are due on August 1 each year. Recent reports from 2021 to 2023 demonstrate that overall permitting efficiency has remained high, with 89 percent to 96 percent of all permits meeting their timeliness goals during this period.[91] However, the data also reveal a persistent discrepancy between priority and non-priority permits, drawing attention to gaps where opportunities for improvement remain.

Both Washington and Minnesota's reporting systems highlight some of the benefits of regular performance reporting. By making permitting data publicly available, these states foster trust and allow stakeholders to hold agencies accountable. Consistent reporting enables the identification of long-term trends, helping policymakers make informed decisions about resource allocation and process improvements. Reports often draw attention to successful initiatives, allowing for the sharing of best practices across agencies and potentially across states. Regular reporting also helps identify persistent problem areas, such as Minnesota's challenges with non-priority permits, thereby enabling further interventions. However, to be most effective, these reports should be ongoing. Whereas the Minnesota reporting occurs every year, the Washington State reports were produced over a period of several years and then ceased. Washington should follow Minnesota's example and consistently report on permitting activity on a yearly or biannual basis.

Permit appeals: An appeals process is a useful feature of an environmental permitting system, helping ensure that applicants have a clear and fair path to contest agency decisions. Michigan once offered a leading model for such appeals with the creation of the Environmental Permit Review Commission (EPRC).[92] Established in 2018, the EPRC consisted of a panel of technical experts tasked with independently reviewing permit disputes. When an applicant challenged a decision by the state's environmental agency, a three-member panel drawn from the EPRC would evaluate the dispute, issue a recommendation, and—if agency leadership failed to act within specified timeframes—that recommendation could become binding. This structured and time-limited process provided applicants with an impartial review mechanism grounded in technical expertise and procedural fairness.

Unfortunately, subsequent executive actions significantly undermined these reforms. In 2024, Gov. Gretchen Whitmer issued an executive order eliminating the EPRC and its companion rule-review body, the Environmental Rules Review Committee.[93] Authority over permit appeals was transferred back to the Department of Environment, Great Lakes, and Energy (EGLE), meaning applicants must now seek redress from the same agency that denied their permits in the first place. This change eliminated the neutral, third-party review structure and substantially weakened accountability in the permitting process. Without independent panels, there is little external check on agency discretion, reducing trust in outcomes and increasing the risk of biased or arbitrary decisions.

Despite its dismantling, Michigan's EPRC structure remains a strong model for other states. The combination of technical expertise, independent review, enforceable timelines, and clear procedures created a balanced and credible system for resolving disputes. Other jurisdictions considering how to enhance fairness and oversight in their permitting systems would be well served by adopting similar review panels, ideally structured in a way that protects them from unilateral executive dissolution (Michigan's situation is somewhat unique in that the state Constitution gives the government strong executive branch reorganization powers).[94] Independent appeals

88 Governor's Office for Regulatory Innovation and Assistance, *Permit Timeliness Report* 2020.

89 Gov. Mark Dayton, Executive Order 11-04, "Establishing Goals and Procedures to Ensure that Certain Environmental Permits are Issued More Efficiently," January 24, 2011, https://www.house.mn.gov/comm/docs/ExecOrder11-04.pdf.

90 David Erickson and Mark D. Anstoetter, "Minnesota enacts legislation to expedite environmental permitting process," Shook Hardy & Bacon LLP, Mar 25, 2011, https://www.lexology.com/library/detail.aspx?g=431cfc37-7ec3-4ab5-9f37-1042aa87a0af; H.F. 1 – Permitting Efficiency Law, 87th Legislature (2011 - 2012), https://www.revisor.mn.gov/bills/text.php?number=HF1&type=bill&version=4&session=ls87&session_year=2011&session_number=0.

91 "Environmental Permitting: Minnesota Pollution Control Agency's Annual Permitting Efficiency Report," Minnesota Legislative Reference Library, accessed September 12, 2024, https://www.lrl.mn.gov/edocs/edocs?oclcnumber=920540181; "Legislative reports," Minnesota Department of Natural Resources, accessed September 12, 2024, https://www.dnr.state.mn.us/aboutdnr/reports/index.html.

92 Michigan Senate Bill No. 653, 99th Legislature Regular Session of 2018, https://www.legislature.mi.gov/documents/2017-2018/publicact/pdf/2018-PA-0268.pdf.

93 Gov. Gretchen Whitmer, "Executive Order 2019:06: Executive Reorganization," February 20, 2019, https://www.michigan.gov/whitmer/news/state-orders-and-directives/2019/02/20/executive-order-2019-6.

94 Constitution of Michigan of 1963, Article V, § 2 Principal departments, Sec. 2., https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-Article-V-2#:~:text=All%20executive%20and%20administrative%20offices,education%20provided%20for%20in%20this.

boards help build public confidence and strengthen the legitimacy of state permitting processes.

Common themes in permitting reform

From online permit tracking systems and process improvement methodologies to expedited permit processing and interagency coordination teams, states have demonstrated considerable creativity in addressing the problem of having overly-complex permitting processes. These best practices offer insights for policymakers seeking to enhance their own permitting systems.

Based on the solutions identified in the previous section, several principles for effective permitting reform emerge:

- **Transparency:** As demonstrated by the online permit tracking systems implemented in states like Virginia, making the permitting process transparent and accessible to applicants and the public is crucial. This principle not only improves the user experience but also enhances efficiency by helping agencies track permits and identify bottlenecks.
- **Continuous improvement:** The adoption of process improvement methodologies like Lean and Kaizen in states such as Iowa highlights the importance of fostering a culture of continuous improvement within regulatory agencies. This principle encourages ongoing refinement of processes and the elimination of waste and inefficiencies.
- **Flexibility and speed:** Expedited permit processing programs, as seen in states like Louisiana, demonstrate the value of introducing flexibility and market mechanisms into the permitting process. This principle allows for more efficient allocation of resources based on project urgency and applicant needs.
- **Interagency collaboration and coordination:** Washington's MART underscores the importance of fostering collaboration among different agencies involved in the permitting process. One-stop-shop offices, like the OTO in Pennsylvania, help centralize responsibility for projects involving multiple sets of approvals and avoid creating conflicting requirements, particularly for complex projects.
- **Standardization and predictability:** The implementation of standardized permit timelines and processes in states like New York illustrates the value of creating more predictability and uniformity in permitting. This principle helps applicants plan more effectively by reducing uncertainty.
- **Data-driven decision making:** The permit inventories and regular performance reporting implemented in states like Pennsylvania and Washington State demonstrate the importance of collecting data to inform permitting reform efforts. This principle enables policymakers to use evidence to guide improvement efforts, measure the impact of their reforms over time, and hold agencies accountable when targets are missed.
- **Oversight and accountability:** Effective permitting systems must include mechanisms for the public to challenge agency decisions they consider unfair or inaccurate. Michigan's now-dismantled Environmental Permit Review Commission provided a neutral, expert-based forum for permit appeals that helped check agency discretion and improve applicant confidence in the system.

Beyond looking at principles guiding best practices, it is important to consider the challenges and potential pitfalls of permitting reform efforts as well. The experience of Minnesota offers a cautionary tale as to the structure of permit reforms. Minnesota's 2024 Energy Infrastructure Permitting Act clearly favors renewable energy projects by exempting them from certain review processes and creating expedited pathways.[95] While this aligns with the state's carbon-free electricity goals, and conforms with some of the principles identified in this report related to coordination for priority projects, it also raises concerns about fair competition. The example underscores the importance of carefully structured reforms that maintain a level playing field across industries and protect consumer interests alongside environmental goals.

Colorado's past experience with interagency permitting reform offers a different kind of warning. The state's Joint Review Process and its successor, the Colorado Coordination Council, were intended to streamline reviews for large-scale projects through enhanced coordination among agencies. However, both initiatives ultimately failed due to inconsistent engagement. These efforts highlight the risks of creating permitting structures that lack sufficient stakeholder buy-in.

Finally, a notable omission in the observed state-level permitting reforms is the lack of substantial efforts to address the issue of litigation. This absence is somewhat striking given that litigation risk is often cited as a significant factor contributing to delays and uncertainties in the permitting process. The reticence of states to tackle this aspect of permitting reform may stem from various factors, including interest group opposition to such limitations, political sensitivities surrounding issues related to the environment, or a focus on administrative rather than judicial processes. This gap in reform efforts potentially leaves a significant source of problems

[95] SF 4784/HF 4700—Energy Infrastructure Permitting Act, 93rd Legislature (2023 - 2024), https://www.revisor.mn.gov/bills/bill.php?b=house&f=HF4700&ssn=0&y=2024.

unaddressed. Future reform efforts should consider measures to impose limits on litigation or to provide clearer standards for judicial review of permitting decisions.

Conclusion

This examination of state-level environmental permitting reforms reveals an array of innovative approaches to increase timeliness, transparency, and accountability in regulatory processes. The best practices identified here could help to unstick regulatory bottlenecks, as well as improve the overall customer experience of permit application reviews.

The analysis also highlights the complexities and potential pitfalls associated with permitting reform. The experiences of states like New York and Minnesota underscore the risks of sector-specific reforms. Additionally, some of the most challenging problems with permits hinge on litigation, and there hasn't been much progress limiting litigation in recent years.

Future research should focus on quantifying the impacts of permitting reforms, including their effects on project timelines, investment decisions, economic development, and environmental outcomes. Additionally, researchers might assess aspects of the judicial system that contribute to permitting delays, or examine particular industries to evaluate the extent to which they are disproportionately impacted by permitting delays and reforms.

While state-level permitting reforms offer promising avenues for improving regulatory processes, implementation requires careful consideration of context and potential unintended consequences. The principles of effective permitting reform distilled from this study provide a framework for designing state policies that enhance efficiency while maintaining rigorous oversight. As policymakers continue to grapple with permitting challenges at all levels of government, lessons drawn from these state-level experiments can play an important role in shaping the future of environmental policy in the United States.

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