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BUILD WITHOUT BUREAUCRACY

A State Policy Guide to Permitting Reform



Americans should not have to ask the government for permission to innovate, invest, and build prosperity. Yet across the country, an outdated and needlessly complex permitting system has become one of the greatest obstacles to economic growth, affordable housing, reliable energy, and critical infrastructure. Projects that should take months to approve instead drag on for years, trapped in duplicative reviews, endless litigation, and layers of bureaucratic delay.

Permitting processes have strayed far from their original mission to protect legitimate public interests. Today, they too often function as chokepoints exploited by special interests, standing in the way of American ingenuity and opportunity. Every month of unnecessary delay drives up costs for families, discourages investment, and denies opportunities to workers and entrepreneurs. Whether building homes, expanding manufacturing, modernizing the electric grid, or improving transportation infrastructure, Americans deserve a permitting system that is transparent, predictable, and accountable.

A well-functioning permitting process respects constitutional principles, private property rights, and the rule of law. Reform need not come at the expense of necessary safeguards. Instead, agencies should be required to make timely decisions according to clear and consistent standards rather than allowing projects to languish indefinitely. Firm deadlines, streamlined reviews, and greater accountability can restore confidence that government will act efficiently fairly, and within the bounds of its authority.

Ultimately, permit reform is about restoring the balance between necessary oversight and economic liberty. A government that takes years to answer straightforward questions or imposes endless procedural hurdles undermines public trust. By creating a permitting process that is faster, more transparent, and more accountable, policymakers can remove artificial barriers to American prosperity while preserving the safeguards that genuinely protect the public interest.

The Goldwater Institute has published the following policy recommendations to help lawmakers and allies make government permitting more efficient, fair, and transparent.

PERMIT FREEDOM ACT: A FRAMEWORK FOR EFFICIENCY AND FAIRNESS

ISSUE OVERVIEW

Americans have always been builders. We have cleared land, raised homes, and launched businesses armed with little more than grit and purpose. But today, that instinct must fight its way through red tape. Before Americans can build, they must apply, wait, and hope the government grants them permission. Nearly one-third of all occupations also require a government license. A nation of doers is becoming a nation of petitioners.

Permitting regimes across the country are plagued by ambiguity and delay. Vague standards such as “public interest,” “aesthetically pleasing,” or “appropriate to the neighborhood” give unelected officials sweeping authority. That discretion is too often used to delay, deny, or reshape projects according to bureaucrats’ personal preferences rather than clear legal standards.

The consequences go far beyond economic stagnation. They make housing, goods, services, and the basic costs of earning a living less affordable. Americans are forced to spend hundreds of dollars and wait an average of nine months to obtain government permission to work. Property owners must surrender land, cash, or rights to secure development permits. Those costs do not end with the applicant; they are ultimately passed along to families through higher prices, fewer homes, and reduced economic opportunity. What began as narrow exceptions to prevent public harm has metastasized into a sprawling bureaucracy that trades liberty and affordable living for control by the select few.

POLICY RECOMMENDATION

The Permit Freedom Act implements three commonsense reforms to protect individuals whenever a state, city, or county forces them to obtain a permit or license. It requires the government to ensure:

1. **Clear and Objective Standards:** Agencies must provide clear, unambiguous, and objective criteria for permit approval prior to submission. Denials based on subjective terms like “good cause,” “neighborhood character,” or “aesthetic harmony” are prohibited.
2. **Enforceable Approval Deadlines:** Regulators can no longer leave applicants in endless procedural limbo. If an agency fails to approve or deny an application within the statutory deadline, the permit is deemed automatically approved.
3. **Unbiased Due Process:** Applicants who face an improper permit denial are guaranteed a meaningful, neutral hearing where the burden of proof rests on the government to justify its decision.

STORIES OF SUCCESS

Permitting delays, vague rules, and bureaucratic hurdles have created a crisis in homebuilding, and affordable housing has become an impossible dream for many. A national study found that regulations add \$100,000 to the price of a new home, a cost that falls hardest on young families and first-time buyers already grappling with high interest rates and limited inventory.

In 2023, Arizona enacted the Permit Freedom Act, a flagship Goldwater Institute reform designed to address delays that planners and politicians had failed to resolve. The law imposed firm deadlines, objective standards, and automatic approvals when cities failed to act. Permitting moved faster, housing supply increased, and economic gains came into bloom. Since 2023, at least five states have enacted recommendations contained within the Permit Freedom Act.

Following the enactment of Arizona's law, a 2025 report by the Common Sense Institute (CSI) documented the real-world effects:

- **Accelerated Timelines:** Statewide permitting timelines plummeted from an average of 200 days down to 126 days.
- **Local Successes:** Permitting delays fell by 12% in Phoenix, 49% in Chandler, and 64% in Mesa.
- **Economic Growth:** The reform is projected to yield 3,800 additional homes annually by 2035, reduce new home prices by 5%, create nearly 34,000 jobs, and inject \$6.4 billion into the state economy.

Further, the law has been utilized to push back against overzealous local officials looking to shut down economic growth. Specifically, the law's requirements that all permitting criteria are clear and unambiguous, as well as the requirement that all permit denials be based on existing law, have been useful for developers looking to build businesses on their land.

Case Study: Defending Property Rights in Prescott, Arizona

In Prescott, Arizona, a local developer named Jim sought to build a small boutique hotel in the heart of downtown Prescott, that would complement the surrounding architecture and preserve the area's historic charm. He submitted his plans to the city's Historic Preservation Commission because the property was in a historic district.

Despite complying with local building codes, the commission rejected his application, relying on NIMBY opposition and subjective notions that the design was not sufficiently "respectful" of the district's "intimate scale." Neither term was defined in the city code.

When the Prescott City Council initially upheld the denial, Goldwater Institute attorneys stepped in to underscore the city's legal obligations under the Permit Freedom Act. Faced with the law's requirement for objective standards, the City Council commissioned an independent review by a neutral historic preservation expert. That review confirmed that Jim had satisfied every objective requirement in the city code. The City Council subsequently reversed its decision and granted the permit, demonstrating how clear rules can protect property owners from arbitrary government action.

The Permit Freedom Act shows that clear rules and timely decisions don't just speed up housing, they promote affordability and economic growth by bringing efficiency and fairness to permitting and licensing, allowing builders, workers, and entrepreneurs to pursue opportunity without unnecessary government obstruction.

PERMIT TRANSPARENCY PORTAL: ESTABLISHING ACCOUNTABILITY THROUGH VISIBILITY

ISSUE OVERVIEW

The permitting process is often a bureaucratic nightmare. Submitting a permit application can feel like entering a bureaucratic labyrinth with no map, no clear exit, and no assurance that the rules will remain the same along the way. Often, applicants have no idea who is reviewing their application or where it stands in the process. This problem is especially severe for complex projects with environmental or energy implications.

In today's digital world, applicants should be able to track their permit application online from start to finish, just as consumers can track an online shipment. If private logistics carriers and the U.S. Postal Service can offer real-time tracking for complex global supply chains, government agencies should be held to the same standard.

Transparency is essential to a well-functioning permitting system. Agencies must be accountable to the public, and meaningful accountability is impossible when applicants cannot see how decisions are being made or why delays are occurring.

POLICY RECOMMENDATION

State and local governments should establish publicly accessible, searchable permit-transparency portals. Drawing from model frameworks supported by the Goldwater Institute and the American Legislative Exchange Council (ALEC), legislation should require both state agencies and local municipalities to digitize and publish their permitting workflows. Agencies should audit existing requirements, eliminate obsolete permits, and maintain a portal offering the following core capabilities:

1. **Comprehensive Permit Registry:** A searchable database detailing every permit type, its underlying legal authority, required forms, associated fees, processing deadlines, and designated agency contact personnel.
2. **Digital Submission & Payment:** The ability for applicants to submit documentation, manage filings, and pay required fees electronically.
3. **Real-Time Status Tracking:** An online dashboard allowing applicants to monitor their application through every procedural stage.
4. **Automated Deadline Alerts:** Automated notifications alerting both applicants and agency staff when review deadlines are approaching or missed.
5. **Performance Reporting:** Annual public reporting to the governor and legislature detailing total applications received, approved, denied, and average processing times per agency.

STORIES OF SUCCESS

In January 2022, Virginia Governor Glenn Youngkin took office promising to bring greater transparency and accountability to the state's regulatory and permitting systems. He quickly established an Office of Regulatory Management (ORM) to modernize those processes.

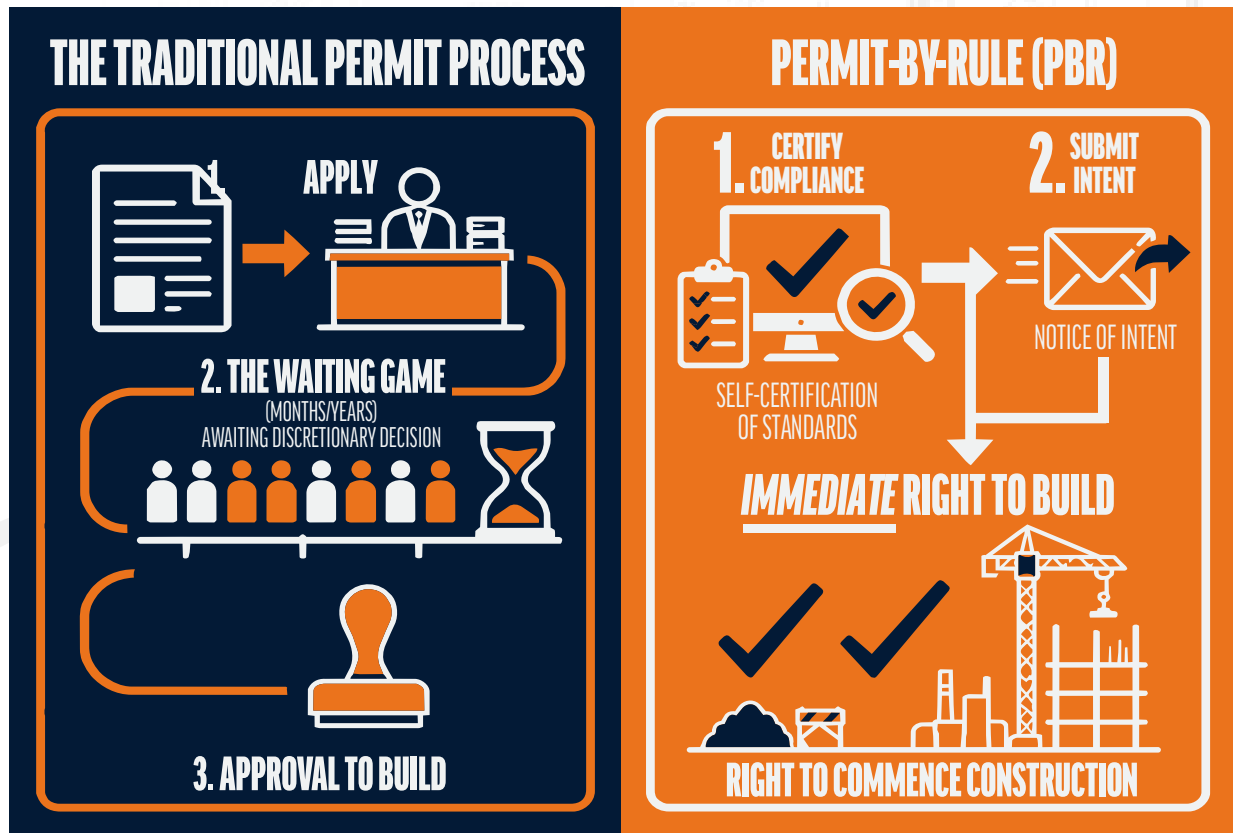
One of the office's first initiatives was a pilot permit-tracking dashboard for the Department of Environmental Quality. The program quickly expanded to five additional state agencies. The tracking system covered more than 100,000 applications processed annually across six agencies responsible for complex permits. The Virginia Permit Transparency portal forced agencies to map workflows, track crucial milestones and aggregate key employee contacts for the benefit of the applicants.

Combined with reforms eliminating obsolete permits and duplicative requirements, the transparency initiative reduced permit-processing times by 70 percent and generated an estimated \$40 million in annual savings. You can find more information about the Virginia Permit Transparency by reading "Transparency on Tap" published by the Competitive Enterprise Institute.

PERMIT BY RULE: CUTTING RED TAPE FOR STANDARDIZED PROJECTS

ISSUE OVERVIEW

The permitting process is plagued by numerous, duplicative, and largely unnecessary layers of administrative review. Simple permits that should take mere days to review drag on for months. For routine, low-risk, or highly standardized projects, this discretionary queue creates unnecessary backlogs, inflates consumer costs, and delays economic development.



A Permit-by-Rule framework can reduce the administrative delays that slow projects, raise prices, and impede economic growth. Permit-by-Rule fundamentally shifts the permitting paradigm from a discretionary, permission-first system to an objective, compliance-first standard. By replacing slow, subjective, and politicized permitting queues with a clear, ministerial check-the-box system, states can unleash economic development while maintaining rigorous safety and environmental protections.

POLICY RECOMMENDATIONS

When establishing a Permit-by-Rule framework, policymakers should ground their approach in clear, objective legal boundaries. Permit-by-Rule is not a free-for-all; it is designed for sectors with highly standardized, predictable regulatory footprints with a high rate of approval. Many states have adopted some form of Permit-by-Rule, but based on lessons learned from strong examples in Virginia, Texas, Ohio, and Missouri, the Goldwater Institute recommends the following core structural protections:

1. **General Right to Construct:** The legislation must establish a baseline legal right for any property owner or operator to construct, install, or operate a qualified facility under a Permit-by-Rule, provided they satisfy the objective technical criteria. The framework should target sectors characterized by:
 - a. Low or highly predictable emissions and energy output;
 - b. Minimal localized environmental impacts;
 - c. An established, readily available supply of licensed private professionals to certify compliance; and
 - d. A mature, well-defined body of pre-existing regulatory law.
2. **Strictly Objective Safe Harbors:** Eligibility for Permit-by-Rule must be based purely on objective, quantifiable metrics such as physical footprint size, output capacity, decibel levels, or emissions volume. Regulatory agencies must be explicitly prohibited from establishing Permit-by-Rule eligibility criteria based on subjective aesthetic, architectural, or design-review standards (similar to the standards established in the Permit Freedom Act).
3. **Applicant & Third-Party Certification:** To bypass state agency staffing bottlenecks and long queues, the model framework must rely on private-sector compliance certification. Compliance with technical and land-use standards should be certifiable under penalty of perjury by licensed private professionals (such as licensed Professional Engineers). Borrowing from Virginia's successful model for small energy projects, the burden of proving compliance must rest entirely on the applicant, not on the agency's investigative staff. To register, applicants must compile and submit a comprehensive package demonstrating that they have:
 - Analyzed all potential environmental and localized impacts;
 - Developed necessary mitigation plans for any identified risks; and
 - Obtained all required local land-use and technical certifications.
4. **Submittal-to-Construct Standard:** The primary flaw in many existing state Permit-by-Rule programs is that they still trap applicants in a 7-90 day administrative review queue before work can begin, defeating the entire purpose of a streamlined track. Permittees should be legally cleared to begin construction or operations immediately upon submitting their completed compliance documentation, notice of intent, and registration fee. If a state determines that prior agency review is strictly necessary for public safety, the legislation must enforce a hard 7-day review window, which is the standard used in Missouri's Permit-by-Rule law. If the agency does not issue a written rejection citing specific, objective code violations within those 7 days, the permit is automatically deemed approved.

5. **Fast-Track Cure Period:** Currently, bureaucrats frequently use minor, clerical mistakes to reject applications, forcing developers to restart multi-month permitting queues from scratch. If an agency identifies a clerical or technical deficiency, the applicant must have the right to amend and resubmit their documentation within 30 days while retaining their original place in the queue. Upon resubmission, the agency's review window must be shortened to a maximum of 3 business days.
6. **Tiered Filing Fees:** To keep entry barriers low for startups and independent operators, filing fees should be scaled to project complexity. For example, in Texas, the framework establishes a heavily discounted flat fee of \$100 for small businesses (defined as entities with fewer than 100 employees or less than \$6,000,000 in gross receipts), registered 501(c)(3) nonprofits, and small municipalities representing fewer than 10,000 residents. Larger, more complex industrial operators would pay a standard, higher-tier fee.
7. **Elimination of Subjective Mandates:** Policymakers should ban any administrative step that adds delay without carrying a legally binding, objective consequence. Steps such as mandatory "public comments" or "informational community meetings" must be prohibited for Permit-by-Rule eligible projects unless the applicable statute explicitly grants the public the objective, pre-existing authority to alter the project's legal compliance status. Evaluating public feedback is highly subjective, and Permit-by-Rule approvals must rely strictly on objective, measurable compliance.

STORIES OF SUCCESS

When energy developers and digital infrastructure partners in Virginia sought to deploy utility-scale energy storage systems and small generation facilities to meet the state's rising electricity demand, they faced an immediate regulatory roadblock. Under traditional utility oversight, energy projects were required to undergo lengthy, discretionary reviews through the State Corporation Commission—a case-by-case process taking anywhere from 12 to 24 months per site.

To bypass this administrative bottleneck while maintaining strict safety and environmental standards, the Virginia General Assembly enacted legislation HB 2148 (Va. Code § 10.1-1197.5), expanding the Department of Environmental Quality's successful Permit-by-Rule framework to include energy storage and battery facilities up to 150 MW.

Under the Permit-by-Rule framework, the state established explicit, standardized requirements for environmental impact, noise, site mapping, and localized safety upfront. Instead of negotiating a custom permit through multi-year public hearings, developers submit a certified application showing 100% compliance with pre-codified rules. Upon submitting the complete compliance package and local land-use certifications, authorization is granted within a strict, predictable window.

The results were substantial. By replacing case-by-case utility reviews with a non-discretionary Permit-by-Rule pathway, energy developers cut approval timelines from 2 years down to under 90 days. The reform unlocked rapid deployment of battery storage nodes and solar generation directly feeding Virginia's digital infrastructure corridors, proving that objective, compliance-first rules can deliver critical infrastructure at the speed of market demand without sacrificing environmental protections.

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