

# Digitizing Permitting and Licensing

Local governments are responsible for issuing many permits and licenses to businesses each year. Licensing and permitting processes have a huge impact on small businesses – many are dependent on these regulations to operate. Roughly one in four U.S. workers require a government license for their job, demonstrating its importance on the economy.<sup>1</sup>

License requirements for businesses have increased over time, making the efficiency of the licensing system ever more relevant. When licensing and permitting processes are manual or paper-based, backlogs and delays are more likely, especially at times when there is a high volume of requests. This hurts small businesses disproportionately, as they have less capacity to manage government interactions or stay on top of permit or license requirements.

## The Strategy

Local governments can help small businesses by working to streamline these processes. One way to do this is by digitizing their permitting process. Permitting systems enable the permitting processes across a municipalities' departments to be conducted online. This allows businesses to understand the requirements that apply to

them, fill out their application online, and receive a response from the municipality.<sup>2</sup> Digitization can lead to a better customer experience for applicants and more inclusive city services. Many cities have developed a digital permitting system in-house, while others have utilized an external provider to build a permitting system for the city.

## BENEFITS OF THIS STRATEGY:



Creates a better customer experience for applicants. Businesses can better understand permitting requirements and have a more straightforward path to applying.



A digital system can automate permitting and licensing workflows for city departments, creating more efficiency, clearly defining roles, and streamlining communication between different city departments.



Both government officials and applicants can view the status of a permit or license request in real time. These records are also stored digitally for future reference.

## KEY CONSIDERATIONS:

- 1** Local governments must work to establish trust in the systems they are putting in place. **How will your city engage stakeholders in the business community and in government to ensure success when making this transition?**
- 2** **What kind of training will the municipality provide on the new digital process?** It is important to ensure that there is continuous training available as new or existing business owners come to this system for the first time.
- 3** **What features will optimize these processes in your specific community?** For example, in some communities, translation services are essential to ensure the success of a digital permitting and licensing system.
- 4** Consider how applicants will be able to view the status of their application as it moves through the process. **Will your city create a public dashboard to view permit and license issuance? How much transparency will you provide to applicants about where their application is in your workflow?**

## Kansas City, MO Provides Digital Services through Compass KC

Kansas City's platform, Compass KC, allows business owners to access many city services and seamlessly interact with multiple city departments online.<sup>3</sup> Users can use a search bar to find the specific application they are looking for or scroll through the range of applications that are listed on the platform. Users can then apply directly through Compass KC, and track as their application progresses through the review process. To increase the accessibility

of this platform, the City has created written guides and video tutorials demonstrating how to use Compass KC so that new users can easily access this tool. Kansas City also maintains a dashboard with information on permitting that displays the city's overall volume of permitting applications, timing of permit issuance, and historic information on permits dating back to 2010.<sup>4</sup>

More than **160 communities** have automated permitting for home solar through SolarAPP. **Learn more** about how SolarAPP can **expedite solar permitting in your city.**

1 U.S. Department of the Treasury. (2015, July). Occupational Licensing : A Framework for Policy Makers. <https://obamawhitehouse.archives.gov/blog/2016/06/17/new-data-show-roughly-one-quarter-us-workers-hold-occupational-license#:~:text=1..privately%20issued%20certification%20or%20both>

2 Kelly, H. (n.d.). How Does Permitting Software Work?. GovPilot. [www.govpilot.com/blog/how-permitting-software-works](http://www.govpilot.com/blog/how-permitting-software-works)

3 Kansas City. (n.d.). Compass KC- Online Plan and Permitting Services. [www.kcmo.gov/city-hall/departments/city-planning-development/compass-kc-the-new-permitting-system](http://www.kcmo.gov/city-hall/departments/city-planning-development/compass-kc-the-new-permitting-system)

4 Kansas City. (n.d.). Permit and Plan Review Data. [www.kcmo.gov/city-hall/departments/city-planning-development/permits/permits-dashboard-2023](http://www.kcmo.gov/city-hall/departments/city-planning-development/permits/permits-dashboard-2023)