



Legislative Report

May 10, 2012
Final Report

The legislature adjourned its regular session on March 8 and started a special session on March 12. The legislature adjourned its special session on April 10 and started a second special session on April 11. The legislature adjourned its second special session on April 11.

Notable Dates

- **June 7** – Day that bills signed by the Governor take effect.

INTRODUCTION

After meeting for a rare, end-of-year special session in December, legislators convened in January for the regularly scheduled supplemental session. They brought many big ideas for job creation, waterfront development, and transportation revenue. Many of the biggest ideas were whittled down precipitously early in session as the realities of aggressive timelines conspired with an epic ice storm that essentially closed down Olympia and made it ever more difficult for legislators to reach agreement on complex policy concepts in time to meet strict legislative cutoffs.

Building on their success in paring down the state Operating Budget by about 25 percent during their year-end special session, majority Democrats seemed to have general agreement on a budget framework as winter turned to spring and legislators moved towards scheduled adjournment. As they worked to put the final pieces in place, however, Olympia saw a dramatic and historic turn of events. Three Senate Democrats crossed party lines and joined Republicans in opposing a Democratic proposal to push a portion of education costs into the next biennium.

Grasping their newfound power, Senate Republicans (joined by the three Democrats) passed their own budget out of the Senate and set up a peculiar five-way negotiation going into the special session which inevitably followed the Senate coup. Although it started very slowly, the thirty day special session ended in a blaze of activity when a budget agreement was reached on April 9, one day before the scheduled adjournment. When the midnight deadline came on April 10, lawmakers continued working deep into the night passing bills until just past sunrise on April 11.

In the final 24 hour mega-session, the legislature passed a Capital Budget that funds a number of port economic development projects. They also passed an extremely important bill clarifying the Leasehold Excise Tax applied to port marine terminals. Although the long-term stability of dedicated funds such as MTCA and boating infrastructure grants remains in flux, the session overall could have been much worse. In a year when some predicted imminent catastrophe, ports escaped with minimal damage and some very nice wins.

LEGISLATION PERTINENT TO PORTS

Aviation

Airstrips: HB 2244 makes Washington the 11th state in the nation to limit the liability of landowners who own airstrips for any unintentional injuries related to recreational activities that take place on the airstrip when the landowner does not charge a fee for such use.

Aviation Biofuels: HB 2422 declares that aviation biofuels production facilities may be projects of statewide significance and allows the state to issue bonds to help fund biofuel production facilities.

Budgets

OPERATING BUDGET

The Supplemental Operating Budget passed by the legislature spared any further cuts to the Department of Commerce.

PROGRAMS FUNDED IN THE CAPITAL BUDGET

The Capital Budget provides **CERB** with \$12 million for economic development and community revitalization grants. It directs CERB to administer a competitive grant program focused on long term good wage jobs and increased economic activity, enhance in-city recreational opportunities and revitalize downtown business districts. It allows the CERB board to create separate programs for economic development and community revitalization, but does not require it, or designate specific funding levels for either type of activity. It also allows the board to create new criteria without the stringent “median wage” requirement of the traditional CERB program.

Also included in the Capital Budget is the Eastern Washington Clean Sites Initiative, providing \$1.5 million for the **Port of Chelan’s** Cashmere Mill Site, as well as a Brownfield Redevelopment Grant providing \$1.5 million for the **Port of Bellingham’s** Waterfront redevelopment.

JOBS BOND PACKAGE

In addition to the programs funded in the Capital Budget, the Legislature enacted a jobs package funded through the state’s sale of general obligation bonds. This package includes significant funding for port projects.

CERB is directed to administer an Economic Development, Innovation and Export Grant program that includes \$1.1 million for the **Port of Quincy’s** Industrial Park No. 6 infrastructure.

Port and Export Related Infrastructure is funded to the tune of \$33 million. The following port projects are beneficiaries of this program:

Port of Benton – Railroad Bridge Replacement \$2.2 million, **Port of Camas-Washougal** – Steigerwald Commerce Center Development \$1.5 million, **Port of Columbia** – Blue Mountain Station Site \$750,000, **Port of Pasco** – Heritage Industrial Rail Extension \$1.8 million and Rail Hub Development Phase 5 \$1.4 million, **Port of Skamania** – Access Road \$650,000 and Water and Wastewater System \$350,000, **Port of Tacoma** – Puyallup River Bridge Replacement \$7 million and South Lead Rail \$5 million, **Port of Vancouver** – Centennial Industrial Park Infrastructure \$5.75 million, and Port of Walla Walla – Infrastructure for Warehouse Project \$2.75 million.

Innovation Partnership Zones (IPZ’s) receive \$13.5 million in funding for infrastructure, including **Port of Benton’s** Tri-Cities Research District – Wine Science Center \$5 million, and **Port of Grays Harbor’s** IPZ – Reuse of Industrial By-Products and Waste \$750,000. **Port of Tacoma’s** partner IPZ – UW Tacoma and WSU received \$3.6 million for clean water innovation, and **Port of Walla Walla’s** partner IPZ received \$3.67 million for alternative energy- training and innovation.

Economic Development

New Bonding Authority: 2SSB 6140 permits the creation of local economic development finance authorities to act as a conduit that, without using state funds or lending of credit, can issue taxable and nontaxable nonrecourse revenue bonds and participate in federal, state, and local economic development programs to help facilitate access to needed capital. It also requires the Economic Development Finance Authority to coordinate with those local finance authorities.

Innovation Partnership Zones: Innovation Partnership Zones (IPZ's) become an allowable use of counties' .09 funds through the passage of HB 2482. The measure also allows IPZs to be eligible for funding from CERB for research, testing, training and incubation facilities.

Customized Employment Training Program. SSB 6371 eliminates the termination date for the program that has been available through Community and Technical Colleges to provide customized training incentives for employers.

Environment and Natural Resources

Community Service Habitat Projects. HB 2305 allows ports to contract with community service organizations to provide maintenance services at environmental stewardship sites.

Marine Spatial Planning. 2SSB 6263 authorizes development of marine management plans for different geographic areas of the state and establishes the Marine Resources Stewardship Account to pay for planning.

Hydraulic Project Approvals. ESSB 6406 traded policy reforms in exchange for a temporary fee of \$150 on hydraulic permits; the bill includes an all-in-one, 5-year general permit for maintenance activities at marinas and marine terminals.

Drainage Ditches. 2ESSB 5292 modifies the definition of critical areas in the Growth Management Act to exclude certain water-based artificial features (such as drainage ditches) from being considered part of a fish and wildlife habitat conservation area.

Bacterial Limit for Stormwater: HB 2651 establishes non-numeric, narrative limits for bacterial contamination in stormwater.

Governance

Indemnification agreements. SHB 1559 limits the enforceability of indemnification agreements, including the duty and cost to defend, between public agencies and professional service entities including architectural, landscape architectural, engineering, and land surveying services. As passed it applies the limitations evenly to the public and private sectors.

Special Meeting Notices: Adding new requirements to posting special meeting notices, E2SSB 5355 requires notification to local newspapers, radio stations or television stations that have a written request to be notified on file with the port, and has several posting requirements.

Marinas/Boating

Boatyard Permit Streamlining. EHB 2469 exempts boatyards from certain Shorelines Act requirements when installing stormwater treatment systems.

Pilotage. SB 6171 exempts yachts no heavier than 750 gross tons and no longer than 200 feet from state pilotage requirements.

Public Works

Facilitating Closing Projects. SSB 6421 speeds up the closing of projects and release of retainage when a subcontractor is unwilling or unable to file its "Affidavit of Wages Paid".

Taxes

Leasehold Excise Tax. SSB 6635 clarifies the definition of leasehold interest at marine terminals to exclude preferential use areas. The language of the original bill, SB 6250, was placed within the larger tax measure, SSB 6635.

Transportation

Governor's Revenue Package. EHB 2660 is funded with a combination of a barrel fee and other fees implemented over a period of ten years. The resulting \$3.8 billion will be spent on operations and maintenance of the state's highway system, transit, and the state patrol. The package is not consistent with the recommendations of the Connecting Washington Task Force.

Columbia River Crossing. ESSB 6445 authorizes tolls on the Columbia River crossing project in Clark County. This law enables critical partnership understandings with both the federal government and the state of Oregon, and is supported by WPPA.

Tolling. Two important measures, ESSB 6445 and SSB 6444, authorize tolling on mega-projects. ESSB 6445 authorizes tolls on the Columbia River Crossing project at Vancouver, and SSB 6444 authorizes tolls on the deep-bore tunnel that replaces the Alaskan Way viaduct in Seattle.

520 Bridge. EHB 2814 states that WSDOT may proceed with work on the bridge 21 days after a permit is issued by the city, even if the permit is appealed. The bill also sets up a tolling possibility for the I-90 bridge.

Water

Water Rights Relinquishment: HB 1381 clarifies that an application for a temporary permit, change, transfer or amendment to a water right is sufficient cause for nonuse as it applies to water rights relinquishment.

The effective date of most bills is June 7, unless specified otherwise.

Bill Tracking Report

Bill	Title	Chapter/Law	Veto Status	Signed Date	Effective Date
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Aviation

HB 2244	Airstrips	C 015 L 12		3/7/2012	6/7/2012
HB 2422	Aviation biofuels production	C 063 L 12		3/23/2012	6/7/2012

Budget

HB 2127	Operating sup budget	C 007 L 12 S2	PV	5/2/2012	5/2/2012
SB 6074	Capital sup budget 2011-13	C 002 L 12 S2	PV	4/23/2012	4/23/2012

Economic Development

HB 2482	Innovation partnership zones	C 225 L 12		3/30/2012	6/7/2012
2SSB 6140	Local econ devel. Financing	C 193 L 12		3/29/2012	6/7/2012
SSB 6371	Customized employmnt training	C 046 L 12		3/16/2012	6/7/2012

Environment & Natural Resources

HB 2305	Public improvement contracts	C 218 L 12		3/30/2012	6/7/2012
HB 2651	Industrial storm water	C 110 L 12		3/29/2012	6/7/2012
E2SSB 5292	Irrigation & port districts	C 021 L 12		3/7/2012	6/7/2012
2SSB 6263	Marine management planning	C 252 L 12	PV	3/30/2012	6/7/2012
ESSB 6406	State's natural resources	C 001 L 12	PV	4/10/12	7/10/12

Governance

SHB 1559	Design professionals	C 160 L 12		3/29/2012	6/7/2012
E2SSB 5355	Notice reqs spec meetings	C 188 L 12		3/29/2012	6/7/2012

Marinas/Boating

EHB 2469	Boatyard stormwater treatmnt	C 169 L 12		3/29/2012	6/7/2012
SB 6171	Vessel weight limitations	C 081 L 12		3/23/2012	6/7/2012

Public Works

SSB 6421	Wage affidavits/public works	C 129 L 12		3/29/2012	6/7/2012
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Taxes

ESB 6635	Tax preferences	C 006 L 12		5/2/2012	7/1/2012
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Transportation

EHB 2660	Transportation revenue	C 074 L 12		3/23/2012	6/7/2012
EHB 2814	SR-520 corridor	C 084 L 12		3/23/2012	3/23/2012
SSB 6444	Eligible toll facilities	C 083 L 12		3/23/2012	6/7/2012
ESSB 6445	I-5 Columbia river crossing	C 036 L 12		3/15/2012	6/7/2012

Water

[HB 1381](#)

Water nonuse/suffic. cause

C 007 L 12

3/7/2012

6/7/2012