



## Legislative Agenda 2012

### INTRODUCTION

As the 2011 2<sup>nd</sup> Special Session continues and the 2012 legislative session approaches, revenue forecasts continue to be bleak. The legislature is once again facing a significant budget shortfall, and will need to come up with another \$2 billion in cuts or revenue to balance the state's supplemental budget. Tax increases face a difficult and unlikely path, consequently, the shortfall will most likely be made up of additional cuts and fee increases. There are also a significant number of voices, including the governor, calling for a revenue package to send to the voters in the Spring, although that idea remains very, very uncertain.

While the legislature will focus primarily on addressing the budget crisis, there is recognition by the governor as well as some legislators that creating jobs is a critical step to moving the state toward economic recovery.

The Washington Public Ports Association will continue the efforts from the 2011 session to focus on strategically targeted policies and investments that will help grow private sector businesses and jobs, strengthening the state's economy as a whole. Keeping our ports healthy, and providing us with the tools to incent the private investment necessary to rebuild our economy will go a long way toward bringing back economic prosperity to our state.

### PRIORITIES

#### Building Infrastructure

- CERB (Community Economic Revitalization Board) funding must be continued in some form, whether through the traditional program or through a new iteration. **WPPA will support efforts to provide \$15 million in funds for CERB out of the state's Public Works Assistance Account**. Criteria for awarding funding should allow for adequate flexibility and should focus the ability to leverage private sector investment and job creation.
- With state funding difficult to come by, ports must better utilize current funding mechanisms in order to build necessary infrastructure. Providing additional flexibility to current IDD levy financing tools will provide more opportunities for ports to fund infrastructure projects themselves. **WPPA will work for passage of legislation that will allow ports to use smaller portions of their IDD levy capacity on specific projects over extended periods of time without forfeiting their remaining capacity, while maintaining the current level of taxing authority.**

- Transportation Infrastructure Funding is facing a crisis. As need grows and funding shrinks, state and local governments must strategically prioritize projects, and come up with innovative new ways to fund those projects. **WPPA will work to ensure that the state prioritizes strategic freight mobility projects, including rail.** One new development is the existence of the “Connecting Washington” Task Force, which is supposed to propose some transportation funding ideas by the end of this year.

### Cleaning Up the Environment

- Stable predictable funding for remedial actions continues to be a primary concern for ports. During the last biennium we enjoyed some success at preserving existing funds and maintaining the integrity of MTCA (Model Toxics Clean-up Act). **WPPA will seek to protect MTCA funding in the 2011-13 supplemental budget.**

### Keeping Public Agency Costs Down

- Providing an opportunity for agencies to budget for and prioritize public record requests would provide the ability to better budget for the cost of records requests, as well as work do discourage harassing requests, while protecting open government and transparency. **WPPA will work for passage of legislation to allow public agencies to manage record request costs and prioritization.**

### ISSUES TO SUPPORT

**Port Public Works Project Streamlining:** A proposal being forwarded by the WPPA Ad-Hoc Public Works Working Group would allow ports to use an expedited process for completing public works projects under \$35,000. For projects under \$5,000 advertising and competitive bidding requirements are eliminated. For projects between \$5,000 and \$35,000, the projects can be awarded based on price quotes received from responsible contractors, and though advertising and competitive bidding are dispensed with, price quotes must be recorded and available for public inspections. Contractors need not be on a small works roster to be eligible. WPPA will support this effort to streamline the public works process for very small projects.

**Aerospace Incentives:** A broad group of business, labor, government and economic development interests have organized a coalition with the backing of the Governor, aimed at developing and promoting policies to help the Boeing Company to build the re-fitted 737s in Renton. These proposals primarily relate to workforce training, as well as engineering programs at the University of Washington and Washington State University.

**.09 Funds for Rural Counties:** The governor’s options for meeting the required cuts necessary to balance the supplemental operating budget did not include a scaling back of the .09 rural county economic development sales tax credit. WPPA will work with counties and other local governments to protect this small but effective economic development tool.

**Recreational Boating Grants:** A coalition of maritime interests, including ports, successfully lobbied last session to maintain the state’s commitment to fund grants used to build recreational boating infrastructure. WPPA will continue to monitor budget proposals to protect or enhance grant support for boating programs.

**Cruising Permits:** Extending the permitted length of stay for out-of-state, entity-owned, recreational vessels could increase income for marinas, boatyards, the maritime trades and even community businesses such as grocery stores, bait shops, hardware stores and art galleries. Under current law, most out-of-state vessels may purchase a cruising permit good for up to 12 months. However this privilege is not currently extended to vessels owned agreements such as limited liability corporations or partnerships – arrangements particularly common among many vessels larger than 60 feet. WPPA is working with other marine trade organizations to extend the duration of the cruising permit for enterprise-owned vessels from 60 days to six months.

## ISSUES TO WATCH

**Hydraulic Project Approval Reform:** Although efforts to implement a first-ever fee on state hydraulic permits fell apart late in the 2011 legislative session, this issue will return. Ports remain committed to the idea that significant reforms must be implemented to streamline and clarify the permit before any fee can be implemented.

**Coal Exports:** One important piece of the greenhouse gas debate is the role coal could play in global climate change – specifically, the environmental impact of coal transported through Washington State for use in Asia. If new regulations are imposed on individual commodities it would have a lasting impact on cargo traffic moving across our state’s marine terminals. This is an issue the WPPA is monitoring closely.

**Executive Session Recordings Exempt from PRA:** The Attorney General’s office has a proposal to exempt video and audio recording of executive sessions from the public records act. While this proposal would add clarity to the current law, it will face tough opposition from those who oppose any new exemptions to the public records act. It also has the potential effect of increasing pressure for public agencies to tape their executive sessions.

**Controlling Audit Costs:** The Coalition of Local Government Association is considering moving legislation forward to help control the rising costs of audits, but supporting legislation to allow entities with good audit records to receive financial audits by the state auditor only once every three years, allowing for some exceptions. This does not impact performance audits. WPPA will study any proposal that may come forward to determine if it might help control rising audit costs without unintended consequences.

**Port Commissioner District Requirements:** A proposal to require the Ports of Seattle and Tacoma to institute commissioner districts for their Port Commissions is being considered for introduction in the 2012 session. WPPA will be watching to see if this issue garners enough interest to receive any serious consideration by the legislature.

**Associate Development Organization (ADO) Funding:** The Governor’s budget included a provision that would cut the funding for ADO’s by about 50% and would make the funds available through a competitive process. It is unclear just how that process would work. WPPA will monitor proposals to change the ADO funding structure, to determine their impacts to ports.

**Marina Lease Rates:** Discussion continues over proposals to increase the rate marinas pay to lease state-owned properties. Ports continue to monitor this issue.

**State Infrastructure Program Restructuring:** The Department of Commerce, through the Public Works Board, is developing a proposal to streamline and increase efficiency in state programs that provide funding for local infrastructure and economic development projects. WPPA is represented on the task force and will be monitoring the proposal to insure that it allows CERB to continue to operate largely as it has in the past

**Air Quality/GHG:** Air quality and greenhouse gas emissions remain an important issue for legislative environmental leaders. One environmental committee has already held a work session on the issue of air quality this interim, so it seems realistic that legislation could follow. Ports will continue to follow this issue.

**Stormwater:** diverse interests continue struggling on multiple fronts to meet stormwater regulations and permitting conditions. Ports continue working to ease regulatory pressures and alleviate conflicts between this and other environmental and budgetary issues.

**Lease Rates on State Lands:** As funding for environmental programs remains tight, legislators are looking for new funding sources. Some have suggested increases in lease rates to use state-owned lands. Staff will continue monitoring this issue.

**Retail Telecommunications Authority:** Several PUDs are again looking at the possibility of forwarding a proposal to allow Rural Ports and Public Utility Districts to provide retail telecommunications services. This proposal is likely to receive serious opposition from private telecommunications providers.

**Water Rights Reform:** The collapse of intense negotiations over water rights reform legislation last session can mean only one thing – more water rights negotiations in 2012! Ports inhabit a relatively small piece of the overall water policy landscape, especially compared to agricultural interests and other large-scale water users. However, we have an important interest in specific water issues, such as relinquishment. As a result, we will continue to participate in the annual scrum over water issues.

**Indemnification Agreements with Design Professionals:** Last session a piece of legislation was introduced to limit the enforceability of indemnification agreements between public agencies and design professionals to the negligence, recklessness or willful misconduct of design professionals. The idea was to protect them from paying for third party negligence. However as drafted public agencies had concerns with the bill, and there are efforts to come to a compromise on the issues, and there may be legislation forwarded this session. WPPA will be monitoring the issue and will weigh in if the public agency concerns are not met.

**Labor Priorities:** Possible prevailing wage expansion or requirements for use of local workforce in public works project may again be forwarded by state labor unions. WPPA will consider these issues as they arise, and will work to insure that Ports can continue to operate in partnership with the private sector in ways that promote a healthy vibrant economy for our state.

**Public Records Dispute Mediation:** The Attorney General's office may be forwarding a proposal to allow parties to utilize the AG's office to mediate public records request disputes. This is a simplified, less comprehensive version of previous proposals to allow options for dispute resolution prior to litigations. This proposal does not eliminate the option to litigate, but allows the option to go through the AG's mediation program if both parties agree to it. WPPA supports efforts to avoid expensive litigation, however there may be a price tag on this new program, and that would make it difficult to move through the legislature in this economic climate.

**Site Cleanup Acceleration:** Discussion continues over ways to stabilize funding for remediation projects, tools that could leverage additional funds for cleanup projects, or methods that could bring additional flexibility to remedial action grant funding. Some of these can be accomplished through administrative means while others may require legislative approval. WPPA continues working towards development of tools that can accelerate or streamline the process for accomplishing cleanups.

#### ISSUES TO OPPOSE

**Port Lobbying Limitations:** A proposal that would bar WPPA from lobbying activities is being floated around and may be introduced again this session. It is the same proposal that was put forward a few years ago, but did not receive a public hearing. WPPA will be watching this issue, but will likely NOT be supporting this measure should it receive a hearing this year.

**Port Employee Compensation:** A measure designed to make it very difficult to compensate any port employee at a salary greater than that of the state's governor may be forwarded. The proposal calls for an extensive public process with publication in all newspapers within a port district and on the website, including the entire salary and benefit package spelled out, at least 3 months in advance. It also requires at least 3 public hearings with 3 weeks advance notice and written reports to the House of Representatives and Senate in any year a compensation package is being considered. WPPA will work to allow ports to continue to operate in the fair, equitable and transparent way they currently operate, without adding new requirements that are expensive and over burdensome.