



WASHINGTON PUBLIC PORTS ASSOCIATION

DRAFT LEGISLATIVE COMMITTEE REPORT

2015 WPPA Legislative Agenda

Introduction

The 2015 Legislative Session will be one of the most significant in decades. The state is under a court order to increase its K-12 education funding by up to \$3 Billion. Transportation funding remains a high priority and a critical need. Social service and higher education interests will push back hard on cuts, and the Governor wants action on climate change.

Last month's election settled little. The Senate will continue to have a razor-thin Republican majority, and the House saw four seats become Republican, and it will now have a much narrower Democratic majority. This means that nearly every legislator can be considered a swing vote on nearly any issue.

What does all this mean to Ports? It means we will continue to have to work very hard to protect funding for MTCA and to find funding for infrastructure for economic development. Any possible transportation package will be effectively competing with education funding, especially if legislators feel a need to send a final decision to the voters in the fall.

WPPA Priority Issues

- **Transportation Revenue/Reforms:** With the focus continuing to be on general fund spending for education to address the McCleary decision, a transportation revenue package will again be facing an uphill battle in 2015. In lieu of a comprehensive package, there may be an opportunity to engage in discussion of a more narrowly scoped, targeted approach to addressing some of the state's most critical transportation needs. WPPA will focus on an investment strategy based on key corridor investments.
- **MTCA Funding:** With funding the McCleary decision looming over the 2015 Session, it becomes imperative for ports to actively defend ongoing funding for remedial action and stormwater grants through the Department of Ecology's budget. There is no higher environmental priority for ports.
- **Port Infrastructure Funding:** Several years ago the legislature provided a specific capital budget program that funded port infrastructure projects. WPPA will pursue a similar proposal in 2015.
- **Port IDD Levy Flexibility:** Ports have authority to levy two temporary IDD property tax levies at a maximum of \$0.45 per thousand, for up to 6 years each. Providing more flexibility to stretch the timelines could allow ports the ability to better utilize this funding tool for specific projects. This proposal was forwarded several years ago, and WPPA will once again pursue its passage.
- **Per Diem Update:** It was brought to our attention that RCW 53.08.176 allows for only up to twenty-five dollars a day for per diem expenses (lodging and meals), in lieu of actual expenses. The WPPA will put forward a proposal to amend that amount to instead be the U.S. General Services Administration's per diem rates. This is the standard used by many other entities.

Issues WPPA Supports

Seaport Alliance: The Ports of Seattle and Tacoma will be proposing a statutory change to efficiently and effectively operate the new Seaport Alliance. This change would give port districts the authority to create Public Development Authorities, which is currently only available to cities, towns and counties. WPPA will support this effort.

Aircraft Excise Tax Distribution: The Washington Airport Manager's Association (WAMA) advocated for a proposal to direct aircraft excise taxes to The WSDOT Aviation Grant Program during the past legislative session. WPPA will support WAMA's proposal if they bring it forward again in 2015.

Marine Tourism: A proposal from 2013 that would expand the permitted length of stay for "entity-owned" vessels from 60 to 180 days was before the legislature again in the 2014 session. This proposal is designed to attract out-of-state boaters to our waterfront communities. WPPA will support this proposal during the 2015 session.

SEPA reforms: In response to proposed coal export facilities, the Department of Ecology has taken a very expansive approach to SEPA scoping, stating that as SEPA-lead they would study the transport of the coal from the mines up to and including its eventual use in Asia. WPPA will support efforts to limit SEPA scoping to in-state impacts.

Public Records Act: As local governments continue to struggle with the problem of harassing public records requests, there is an effort underway by all stakeholders to find a way to allow entities to better manage those requests while continuing to maintain the public's right to make requests. WPPA will support that effort.

Tourism Funding: The Washington Tourism Alliance put forward legislation to study how an industry funded tourism program might work in 2014. The WPPA will support legislation which is forwarded by the alliance if all parties that are required to fund it are supporting, and if the WPPA has a port representative on the board that is created by the legislation.

Prevailing Wage Reform: Ports believe that prevailing wage rates should be fair and equitable, particularly for small rural communities. WPPA will support legislation that would provide fair rates throughout the state.

Stormwater/Flood Control/Water Supply Bonding: Senator Honeyford and Representative Dunshee are seeking a new fund source to support a \$3 to \$6 billion bond issue designed to address stormwater, flood control, and water supply needs. Ports will support funding if it is available to offset the cost of required stormwater management investments at our facilities.

Rail Infrastructure Investment Strategy: This issue is focused primarily on at-grade crossings and is currently being looked at by Cities, FMSIB as well as the WPPA. There will likely be a legislative proposal for the WPPA to support in the 2015 legislative session.

CERB funding: The Department of Commerce is requesting \$14 million for the CERB program in the 2015-16 biennial capital budget. WPPA will support that level of funding.

Property Taxes: As the general purpose local governments continue to look for ways to provide necessary services to our communities, they may look for options that would include expanding the 1% property tax limit to allow for inflation and population increases. WPPA supports consistency in property taxing limits and will support the efforts to adjust property tax limits to accommodate the needs of other local governments.

Issues WPPA Will Watch

Water Quality/Storm-water Regulations: Ports, like our local government cousins, will be drawn into the discussion of actions needed to support the Governor's proposed water quality standards. The Governor will leverage a bill with threatened action from the U.S. EPA should it fail to pass. WPPA supports the Governor's human health standards/fish consumption rate proposal. By extension, WPPA will support legislation that increases the likelihood that these standards will take effect without federal intervention. WPPA will evaluate Ecology's legislation to understand how the new standards could affect ports' environmental liabilities.

Carbon Tax: Because transportation is at the center of port operations, WPPA must understand how a carbon tax would affect the movement of goods in and through Washington. In addition, ports are deeply concerned that shifting the focus of legislation from critical transportation infrastructure to the revenue mechanism supporting these needs will undermine the passage of a new transportation package in the 2015 Session. WPPA will oppose bills that break the constitutional linkage between carbon taxes and transportation infrastructure currently enacted in the form of the gasoline tax. Until Governor Inslee's carbon tax proposal is available for review, WPPA remains cautious and skeptical.

Crude by Rail: Legislation establishing a regulatory role and funding for the Department of Ecology in the prevention and response to oil spills resulting from transport by rail is likely to be proposed. Ports' interests include preserving economic development opportunities while addressing public safety and environmental protection.

Voting Rights Act: The proposal from last year, to provide protected classes of citizens a cause of action in local government elections, and create a process by which local governments can be compelled to impose or amend boundaries to accommodate protected classes of citizens in order to give them an improved chance of getting elected to office in that local government, will likely return again in 2015. WPPA will work with other local governments to mitigate any potentially problematic impacts of a proposal.

Infrastructure Financing Tools: There may be efforts to extend and/or modify the LRF process in 2015. There also may be effort to again look for a TIF type financing tool. WPPA will monitor any proposals to determine whether they are tools that would be helpful to our ports.

CERB Reform: The Department of Commerce is expected to have legislation to allow 25% of the funds to be available for projects that do not meet the median wage requirement of the program. WPPA will monitor the legislation to see what other policy changes are made that could impact port's ability to obtain loans and grants from CERB.

Taxes/Revenue: Tax credits and exemptions provide important incentives to attract and retain industries and commerce throughout our state. Tax credits for server farms, natural gas conversion incentives for trucks, call center tax credits, and others may face possible sunset or elimination in the fervor to find money for education. WPPA supports continuation of tax incentives to grow our state's economy and protect the flow of commerce.

Department of Natural Resources proposed Habitat Conservation Plan: Along with the NOAA Fisheries and the U.S. Fish and Wildlife Service, DNR has proposed a Habitat Conservation Plan covering 2.5 million acres of state-owned aquatic lands and a number of endangered species. There is significant confusion about how the plan makes sense in the context of existing regulatory authority. WPPA will be seeking clarity from DNR and discussing our concerns with legislators.

Environmental Legacy Stewardship Account: Work closely with legislators to ensure they understand the need for ports to have access to these funds to help pay for high cost environmental mitigation projects.