



WASHINGTON PUBLIC PORTS ASSOCIATION

LEGISLATIVE REPORT



INTRODUCTION

We are poised to enter the final week of the regular legislative session. The photo above shows the “Sine Die” tree at the state Capitol this week. The Magnolia tree is so-named because by custom when it blooms it is time for the legislature to adjourn.

There were several significant developments this week. Two major Public Records Act reform bills advanced, and there was progress in the Transportation Budget. Broadband issues continue to be a centerpiece of discussion, including the proposal to modernize port broadband authority. The House also advanced a measure that increases revenues in the toxics cleanup accounts.

Overall the pace of the legislature remains measured. Wednesday marked another major cutoff deadline, when

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APRIL 14, 2017 – 14

ACTION ITEMS:

Contact your legislators now to:

- ✓ Fund cleanup grants under the Model Toxics Control Act
- ✓ Urge House members to concur on HB 1595 – PRA Reform

The Legislative Report is a weekly report that is distributed each Friday throughout the legislative session. Each edition includes an update of legislative activities as well as a list of specific legislative meetings of interest to ports. Copies of bills can be found on the Legislature's web site at www.leg.wa.gov.

AT A GLANCE

Length: 105 days; Regular session began on January 9, 2017

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To listen to a legislative hearing, visit:

each chamber needed to pass the other chamber's bills. Many bills died at this deadline. Today is particularly quiet, as most of the legislators have left town for the Easter weekend.

Next week both the House and Senate will be "concurring" or not with the amendments the other chamber made to their bills. Some measures will bounce back and forth as negotiations continue. See below for a complete report.

LEGISLATION PERTINENT TO PORTS

AVIATION

General Aviation Funding: The House passed its Capital Budget but it did not include an appropriation for airport infrastructure funding. The Senate's Capital Budget included a \$5 million appropriation for a new revolving loan program to be managed by the Washington State Department of Transportation's Aviation Division. The loan program, known as the Community Aviation Revitalization Board, is specifically designed to advance revenue-generating projects which would help to improve the overall sustainability of General Aviation airports. The House and Senate have begun negotiations and while there is support for this funding in the Senate it is not certain this is a high enough priority to make it in the final bill. WPPA supports funding for airport infrastructure in the state.

BOATING AND MARINAS

Vessel Impoundment: The Senate passed HB 1605 this week. This bill allows vessel impoundments for BUI (boating under the influence) violations. Recent amendments will indemnify marinas and allow marinas to make impounding agencies foreclose on abandoned vessels to recover unpaid moorage fees. The bill still gives marinas the choice to deny or accept vessels.

ECONOMIC DEVELOPMENT

Port Broadband Telecommunications Authority: In an unexpected and unusual twist, SB 5679 was scheduled for a special meeting of the House Technology and

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NEXT WEEK'S HEARINGS

There are no hearings of note this week.

SESSION CUT-OFF DATES

(tentative – subject to change)

The cut-off dates are designed to keep legislation moving. Any bill that fails to move past a cut-off deadline is usually considered "dead."

January 9 - First Day of Session

February 17 - Last day to read in committee reports in house of origin, except House fiscal committees and Senate Ways & Means and Transportation committees.

February 24 - Last day to read in committee reports from House fiscal committees and Senate Ways & Means and Transportation committees in house of origin.

March 8 - Last day to consider bills in house of origin (5 p.m.).

March 29 - Last day to read in committee reports from opposite house, except House fiscal committees and Senate Ways & Means and Transportation committees.

April 4 - Last day to read in opposite house committee reports from House fiscal committees and Senate Ways & Means and Transportation committees.

April 12 - Last day to consider opposite house bills (5 p.m.) (except initiatives and alternatives to initiatives, budgets and matters necessary to implement budgets, differences between the houses, and matters incident to the interim and closing of the session).

April 23 - Last day allowed for regular session under state constitution.

Economic Development Committee this morning, and voted out of committee. We are well past the normal deadline for this bill, and this attempt to resurrect it indicates the continued interest in the issue. Unfortunately, the bill was amended into a form that is very problematic. In the amended version ports will need to submit to a UTC business study prior to using this authority, and the existing geographic scope of our current authority is narrowed. These amendments are completely unacceptable, and further negotiations on the measure are needed or it needs to be set down.

Economic Development in GMA: SB 5790 amends the Growth Management Act (GMA) to allow more latitude for jurisdictions in rural areas to adopt plans that encourage job-creation. The bill passed the House this week after further amendments, and now heads to the Senate for concurrence.

Harbor Maintenance Tax: House Joint Memorial 4012 was introduced last week. It asks Congress to reform the Harbor Maintenance Tax to allow Washington ports to compete on a level playing field. The requested reform would reduce incentives to move cargo through Canadian ports and expand the uses for which harbor maintenance tax revenues may be used. The Memorial has not advanced.

ENVIRONMENT AND LAND USE

Rail-Dependent Uses in GMA: ESHB 1504 relates to rail-dependent uses adjacent to rail lines. The bill authorizes cities and counties in Eastern Washington and in Clark County to develop regulations and modify the land use planning and transportation elements of their GMA plans to accommodate land uses that are dependent on freight rail, if the land is adjacent to a Class II or III railroad. The bill passed the Senate this week, and is headed to the House for likely concurrence in the Senate amendments.

Hydraulic Projects: HB 1428/SB 5228 – The Association of Washington Business has offered a proposal that changes jurisdiction by defining the types of projects that are covered by an HPA. In exchange they offer civil penalties for violations that occur at or below ordinary high water. So far, tribes and the environmental community have rejected the offer. It remains unlikely that HPA legislation will pass this session.

Surtax on the Hazardous Substances Tax and MTCA: The House passed the MTCA surtax bill by one vote, HB 2182, and sent it over to the Senate. As previously reported, the surtax is central to the House Capital Budget related to cleanups. The bill remains controversial.

* After the 94th day, only initiatives, alternatives to initiatives, budgets and matters necessary to implement budgets, matters that affect state revenue, messages pertaining to amendments, differences between the houses, and matters incident to the interim and closing of the session may be considered.

ADVOCACY

The Legislative Report is distributed each Friday throughout the legislative session. Each edition includes an update of legislative activities as well as a list of specific legislative meetings of interest to ports. Each report concludes with Bill Tracking, a section offering brief descriptions of proposed legislation and noting where that legislation is currently located in the bill process. For easy access, the bills are directly linked to their posting on the Legislature's website.

WPPA representatives Eric Johnson, James Thompson, Gerry O'Keefe, Chris Herman, and Elena Oguiza are following a wide-variety of issues throughout the session. If you have questions concerning legislative activities, please contact them at 360-943-0760 regarding any specific issues.

Water Availability/Hirst and Foster Decisions: Negotiations continue behind the scenes. Water-related legislation is often the last action taken at the close of a legislative session.

Carbon Taxes: Senate budget proposals do not rely on new taxes. The House seems focused for the moment on taxing capital gains. However, there has been some new interest in carbon taxes over the last week to 10 days, with House and Senate Democrats apparently coordinating their efforts. The revenue debate will remain fluid and unpredictable up to the final gavel.

GOVERNANCE

Public Records Act Reform: An amendment to HB 1594 requires agencies that spend over \$100,000 annually on fulfilling PRA requests to measure and report their performance. The reporting requirements would be less onerous under the amended version of the bill. The amendment also provides a structure for responding to unclear requests. The bill was passed in the Senate this week. Another PRA bill, HB 1595, passed the Senate last week. HB 1595 allows agencies to recover costs associated with fulfilling records requests and provides agencies with the right to deny certain types of requests. WPPA strongly supports HB 1595, which now needs House concurrence.

Limitations of Liability: SB 5896 proposes a reinstatement of limited sovereign immunity for the purpose of reviewing claims against the state and local governments. Local governments would not be liable to pay judgments for noneconomic damages in excess of \$10,000,000. Claims for the portion of a judgment that exceeds the limit could be reported to and authorized by the local legislative authority. If the legislative authority does not approve or reject the additional amount, the judgment must be paid in full. Attorneys' fees would be limited to 33% of any judgment or settlement. The bill remains on the Senate floor calendar.

Eminent Domain: SB 5049 requires governmental agencies to exercise fair and equitable treatment of all persons impacted by eminent domain. No cause of action is created by the bill. Agencies may not prohibit grant or loan money from being used for required relocation assistance. Agencies may opt-out of complying with relocation assistance requirements for projects not receiving federal funding and initiated on or before December 31, 2017. The bill passed 48-0 in the Senate and 97-0 in House, and now goes to the Governor.

PERS Underfunded Liabilities Account: SB 5900 appropriates \$700,000,000 from the budget stabilization account to the Public Employees' Retirement System Plan 1 (PERS) for the purpose of reducing the plan's unfunded pension liability (of \$5 billion). A PERS 1 surcharge on all employer PERS payments (to repay the \$700 million) would begin in 2017. The amendment reduces the contribution rate by .40 to 4.63%. This bill remains on the Senate floor calendar.

PUBLIC WORKS AND INFRASTRUCTURE

Performance and Payment Bonds: Under SB 5734 public entities may, in lieu of a bond, retain 10% of the contract amount for contracts of \$150,000 and less. It amends the current statute, which allows retainage of 50% in lieu of a bond. The bill passed the House this week.

Alternative Contracting Methods Certification: HB 2052 authorizes the Project Review Committee to accept late applications from public bodies for recertification of alternative contracting and prevents certificate expirations on a case-by-case basis. This bill passed the Senate last week.

Responsible Bidder Criteria: SB 5301 revises responsible bidder criteria provisions to include willful and repeated violations of prevailing-wage rates. The bill passed the House this week.

TRANSPORTATION

Transportation Budgets: The Senate and House moved into negotiations Thursday of this week after the House advanced their Transportation Budget late Wednesday night. Significant challenges remain however, as disagreements on I-405 tolling and Sound Transit funding through car tab fees have taken center stage. Overall, the budgets focus on moving forward projects already funded in the Connecting Washington package while providing some money for emerging issues, particularly local needs.

Board of Pilotage: The House heard, but did not advance SB 5819 this week. This moves the discussion to budget conference where very different approaches to overcoming the \$2 million funding shortfall have been advanced. The House opted to fully fund the shortfall while the Senate's budget proposes a scheme where the state, along with the pilots and shippers share in the burden of overcoming the shortfall. The additional funding is needed to address the insurance premium increase that has resulted from the settlement of the gender bias suit against the Board of Pilotage.

Real ID: The House approved SB 5008 this week. The bill included language designed to deter law enforcement from using the presence of a marked license in decisions to detain or apprehend someone asked to present their license to law enforcement. The Senate did not concur with these changes so more work is needed in order for both houses to agree on language. Washington State must fully comply with Real ID by January 2018, the date Real ID enforcement will begin for states that are either not in compliance with the law or have not received a waiver. WPPA supports this bill to minimize disruption for air travelers that have not already upgraded to an enhanced driver license.

BILL TRACKING REPORT

<u>Bill</u>	<u>Title</u>	<u>Status</u>	<u>Date</u>	<u>Original Sponsor</u>	<u>Committee Sponsor</u>
Aquatic Lands					
HB 1001	Utility esmts./aquatic lands	Del to Gov	04/12/2017	Morris	
Aviation					
HB 1018	Airport grants/max. amount	Del to Gov	04/13/2017	Dent	
HB 1400	Aviation license plate	Del to Gov	04/10/2017	Dent	
EHB 1656	Aviation revival. loan prg	S Transportation	03/10/2017	Dent	
Boating and Marina					
SHB 1605	Vessel impoundment	S Passed 3rd	04/07/2017	Pettigrew	PS
SB 5442	Boating safety programs	H 2nd Reading	04/10/2017	Fortunato	
Budget					
HB 1025	Approp. legis. priorities	H Approps	01/09/2017	Taylor	

SHB 1067	Operating budget	H Rules R	03/29/2017	Ormsby	APP
HB 1068	Operating sup budget 2017	H Approps	01/09/2017	Ormsby	
SHB 1075	Capital budget 2017-2019	H Rules R	04/10/2017	Tharinger	CB
HB 1146	Trans sup budget 2015-2017	H Trans	01/12/2017	Clibborn	
HB 1608	Capital budget resources	H Approps	01/25/2017	Pike	
HB 2170	Capital budget T.O.	H Cap Budget	03/21/2017	Tharinger	
HB 2191	Budget stabilization approps	H Approps	03/29/2017	Ormsby	
HJR 4200	Debt guarantee/infrastruct.	H Cap Budget	01/09/2017	DeBolt	
SB 5047	Operating sup budget 2017	S Ways & Means	01/11/2017	Braun	
ESSB 5048	Operating budget	H Passed 3rd	03/31/2017	Braun	WM
ESSB 5086	Capital budget 2017-2019	H Passed 3rd	04/12/2017	Honeyford	WM
SB 5095	Trans sup budget 2015-2017	S Transportation	01/12/2017	King	
ESB 5096	Transport. budget 2017-2019	H Passed 3rd	04/12/2017	King	
SB 5127	Carbon pollution tax	S 2nd Reading	02/27/2017	Braun	

Economic Development

SHB 1123	Tourism marketing	H Approps	01/31/2017	Condotta	CDHT
SHB 1183	Creative districts	S Passed 3rd	04/11/2017	McBride	APP
HB 2177	High employer demand job prg	H Hi Ed	03/22/2017	Chapman	
HJM 4012	Harbor maintenance tx reform	H Tech & Econ D	04/04/2017	Dent	
SB 5013	Tenant property, disposition	H Rules R	03/27/2017	Warnick	
SB 5088	Local infrastruct. financing	S Ways & Means	01/12/2017	Honeyford	
SSB 5251	Tourism marketing	S Ways & Means	02/15/2017	Takko	AWTE
SB 5496	Local infrastructure funding	S Ways & Means	01/26/2017	Rivers	
SSB 5642	Job creation incentive pilot	S Rules 2	04/04/2017	Brown	WM
ESSB 5679	Port districts/telecomm serv	H Tech & Econ D	03/02/2017	Warnick	EET
SB 5711	Telecommunications services	S Rules	03/17/2017	Erickson	
SSB 5790	GMA economic dev. element	H Passed 3rd	04/12/2017	Short	LGOV

Environmental and Natural Resources

SHB 1010	Dept. of ecology agreements	Del to Gov	04/13/2017	Shea	ENVI
HB 1050	Chehalis basin financing	H Rules R	02/13/2017	DeBolt	
SHB 1086	Impact statements/two years	H Passed FP	04/13/2017	Blake	ENVI
SHB 1121	Puget Sound action agenda	Del to Gov	04/13/2017	Muri	ENVI
2SHB 1144	Greenhouse gas emissions	H Rules C	03/13/2017	Fitzgibbon	APP
SHB 1266	Petroleum storage tanks	Del to Gov	04/12/2017	Peterson	ENVI
HB 1555	Carbon pollution tax	H Finance	01/23/2017	Lytton	
SB 5127	Carbon pollution tax	S 2nd Reading	02/27/2017	Braun	
SSB 5228	Hydraulic project approval	H Ag & Nat Res	03/01/2017	Honeyford	NRP
E2SSB 5239	Water availability	H Ag & Nat Res	03/02/2017	Warnick	WM
SSB 5438	Impact statements/two years	H Rules R	03/29/2017	Braun	EET
SB 5621	Econ devel & transp projects	H Rules R	03/29/2017	Brown	
SJM 8009	PS hatchery & gen mgmt plans	H Rules R	03/29/2017	Chase	

Governance and Elections

HB 1324	Local infrastruct. financing	H Cap Budget	02/06/2017	Tharinger	
SHB 1347	Countywide port district	S 2nd Reading	03/29/2017	Riccelli	LG
SHB 1417	OPMA/IT security matters	S Passed 3rd	04/10/2017	Hudgins	SEIT
ESHB 1594	Public records admin.	S Passed 3rd	04/10/2017	McBride	APP
EHB 1595	Public records request costs	S Passed 3rd	04/07/2017	Nealey	
SB 5445	Eminent domain/economic dev.	H Rules R	03/27/2017	Padden	
SSB 5896	Claims against pub. entities	S 2nd Reading	03/29/2017	Rossi	LAW

Land Use

ESHB 1017	School siting	S Passed 3rd	04/11/2017	McCaslin	ENVI
ESHB 1504	GMA/rail dependent uses	S Passed 3rd	04/12/2017	Pike	ENVI
SHB 1747	Withdrawal of land	S Passed 3rd	04/11/2017	Taylor	FIN

Public Works and Labor

HB 1051	Infrastructure financing	H Cap Budget	01/09/2017	DeBolt	
HB 1324	Local infrastruct. financing	H Cap Budget	02/06/2017	Tharinger	
ESHB 1538	Subcontractor bonding	S Passed 3rd	04/12/2017	Stambaugh	CB
SHB 1677	Local infrastructure funding	H 2nd Reading	04/05/2017	Peterson	CB
SHB 1683	Sewer service/growth areas	S Passed 3rd	04/10/2017	Appleton	ENVI
HB 2052	Alt contracting methods cert	S Pres Signed	04/12/2017	Buys	

HB 2192	Public works account taxes	H Approps	03/29/2017	Ormsby	
HB 2194	Public works/material source	H Cap Budget	03/31/2017	Maycumber	
SB 5036	PUD unit priced contracting	H Spkr Signed	04/11/2017	Takko	
SB 5734	State contracting & bonding	H Spkr Signed	04/11/2017	Chase	

Tax

ESHB 1296	Tax incentives report&survey	S Passed 3rd	04/11/2017	Nealey	FIN
HB 1496	Vessel taxation & permitting	H Finance	01/20/2017	Tarleton	
HB 1555	Carbon pollution tax	H Finance	01/23/2017	Lytton	
HB 1764	Property tax revenue limit	H Rules R	04/04/2017	Lytton	
HB 1864	Leasehold excise tax credit	H Finance	02/01/2017	Springer	
HB 2041	Local gov prop tax approval	H Rules R	02/24/2017	Koster	
SB 5111	Capital gains excise tax	S 2nd Reading	03/23/2017	Braun	
SB 5113	B&O tax/education	S 2nd Reading	02/27/2017	Braun	
SB 5127	Carbon pollution tax	S 2nd Reading	02/27/2017	Braun	
SB 5204	Industries prop. tax exempt.	S Ways & Means	01/16/2017	Fain	
SB 5509	Carbon tax	S Energy, Enviro	01/26/2017	Carlyle	
SB 5513	Tax exemptions	S Ways & Means	01/26/2017	Froct	
SSB 5768	Leasehold excise tax credit	H Finance	04/12/2017	Rossi	WM
SB 5772	Property tax revenue limit	S Local Governme	02/09/2017	Pedersen	
SB 5848	State tax preferences	S Ways & Means	02/22/2017	Carlyle	
SB 5888	B&O manufacturing tax rate	S Ways & Means	03/15/2017	Baumgartner	

Transportation

HB 1063	Tribes, fuel tax agreements	S Rules 2	04/04/2017	Morris	
ESHB 1105	Railroad crew transportation	H Passed FP	04/13/2017	Stanford	TR
ESHB 1136	Oil spill planning/nonfuel	S Passed 3rd	04/04/2017	Dye	ENVI
HB 1146	Trans sup budget 2015-2017	H Trans	01/12/2017	Clibborn	
SHB 1147	Transport. budget 2017-2019	H 2nd Reading	03/31/2017	Clibborn	TR
SHB 1273	Nondomiciled licenses	S Passed 3rd	04/12/2017	Ryu	TR
HB 1395	PTBAs/job order contracts	S Passed 3rd	04/11/2017	Peterson	
SHB 1490	Preservation rating info.	S Passed 3rd	04/10/2017	Fey	TR
ESHB 1504	GMA/rail dependent uses	S Passed 3rd	04/12/2017	Pike	ENVI
HB 1606	TBD fees & charges/hearings	S Rules 2	03/23/2017	Pike	
SHB 1905	Vessel pilotage act exempt.	S Pres Signed	04/06/2017	Orcutt	TR
HB 2066	Regional trans planning orgs	S Transportation	03/10/2017	Kretz	
EHB 2095	I-5 Columbia river bridge	S Transportation	03/08/2017	Wylie	
HB 2179	SR 167 HOV toll lane pilot	H Rules R	04/04/2017	Clibborn	
SSB 5001	Transit auth. board members	H Trans	03/02/2017	O'Ban	TRAN
ESB 5008	REAL ID compliance	S ref/H recede	04/13/2017	King	
SB 5049	Relocation assistance	H Passed 3rd	04/05/2017	King	
SB 5095	Trans sup budget 2015-2017	S Transportation	01/12/2017	King	
ESB 5096	Transport. budget 2017-2019	H Passed 3rd	04/12/2017	King	
SB 5227	On-track equipment	H Spkr Signed	04/11/2017	King	
SSB 5262	Vessel pilotage act exempt.	H Spkr Signed	04/10/2017	King	TRAN
SB 5445	Eminent domain/economic dev.	H Rules R	03/27/2017	Padden	
SB 5621	Econ devel & transp projects	H Rules R	03/29/2017	Brown	
SB 5649	Regional trans planning orgs	Del to Gov	04/13/2017	Hawkins	
SSB 5806	I-5 Columbia river bridge	H Passed 3rd	04/06/2017	Cleveland	TRAN
ESSB 5819	Pilotage commissioners board	H Trans	04/07/2017	King	TRAN
SB 5908	RTA MVET statements	S Transportation	03/22/2017	Palumbo	
SB 5909	RTA property tax statements	S Transportation	03/22/2017	Palumbo	

Office Locations of Statewide Officials

- **Governor's Office:** Gov. Jay Inslee's office is located on the second floor of the Capitol (or Legislative) Building.
- **Lieutenant Governor's Office:** Lt. Gov. Cyrus Habib's office is located on the second floor of the Capitol (or Legislative) Building.

- **Auditor's Office:** State Auditor Pat McCarthy's office is located in the Sunset Life Building, 3200 Capitol Blvd. S., Olympia.
- **Secretary of State's Office:** Secretary of State Kim Wyman's office is located on the second floor of the Capitol (or Legislative) Building.
- **State Treasurer:** State Treasurer Duane Davidson's office is located on the second floor of the Capitol or Legislative Building.
- **Insurance Commissioner:** Insurance Commissioner Mike Kreidler's office is located in the Insurance 5000 Building, 5000 Capitol Blvd., Olympia.

How to Find your Legislator and Contact Them:

- **Senate:** <http://www.leg.wa.gov/Senate>
- **House:** <http://www.leg.wa.gov/House>

How to Access a Bill:

- <http://apps.leg.wa.gov/billinfo/>

Here you can enter the bill number you are looking for or even search for it by entering a subject keyword. You can save the bill, print the bill or just check its status and track it as it progresses through the Legislature.

How to Watch or Listen to a Hearing:

- TVW – cable television <http://www.tvw.org/tvguide>
- TVW - webcast – <http://www.tvw.org/media/liveevents.cfm>
- In Person - Floor Calendar - <http://www.leg.wa.gov/legislature/calendar/>

INTERNET

www.leg.wa.gov. Here you will find contact information for each legislator and their staff; legislative leadership; committees and their staff and current agendas; floor calendars; the most up-to-date bill information and much more.

www.tvw.org provides coverage of floor debates, committee hearings and other public policy events. Also included is a weekly news comment program. Coverage is available through REAL Networks or Windows Media both in real time or as archived. Follow the site's instructions for access.

TELEVISION

TVW is a cable network the Legislature created to cover activities of both houses with live programming and delayed telecasts of each day's events. The week's programming can be found on their website, www.tvw.org.

The Washington Public Ports Association staff in Olympia is also here to assist you in getting information and we're happy to walk you through any of the above. Please feel free to call us 360-943-0760 if you have any questions.