



INTRODUCTION

The regular legislative session will functionally end this afternoon, although technically it runs until this Sunday the 23rd. To no one's surprise, there is no budget agreement and no consensus on how to fund education. Negotiations have not even truly begun, as the two political parties trade accusations about the other not being willing to talk.

At the time of this writing, it is not known whether a new 30-day special session will begin on Monday or not. Even if it does, few expect things to be resolved soon.

This week saw passage of significant reforms to the Public Records Act, and a Transportation Budget that makes progress in several areas. The seemingly-endless fight over Real ID and state driver's licenses also finally ended with a compromise.

WPPA staff will continue to report on legislative developments as they unfold each week.

LEGISLATION PERTINENT TO PORTS

BOATING AND MARINAS

Vessel Impoundment: The Legislature passed HB 1605. 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.

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ACTION ITEMS:

Contact your legislators now to:

- ✓ Fund cleanup grants under the Model Toxics Control Act

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

For up-to-date legislative information, visit: www.leg.wa.gov

To listen to a legislative hearing, visit: www.tvw.org

ECONOMIC DEVELOPMENT

Port Broadband Telecommunications Authority: SB 5679 reached its high-water mark in the regular session this week as it exited the House Rules Committee and landed on the run list in preparation for a vote of the full House. The bill will end the session in that position and return to the Senate in special session where it will continue to be the subject of negotiations which include broader telecommunications issues. In its current form, SB 5679 expands the geographic limits of port broadband, wholesale infrastructure deployment beyond port district boundaries, and permits exclusive contracts for the provision of retail services. Language addressing the direct leasing of facilities to public bodies has been removed by amendment.

Harbor Maintenance Tax: House Joint Memorial 4012 remains in Committee and is dead for this year. 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.

Rural Economic Development: SB 5790 has passed the legislature and awaits action by the Governor. The bill directs Growth Management Hearings Boards and the courts to provide deference to GMA planning decisions made to improve economic development in distressed areas. WPPA supports this bill.

Rail Dependent Uses: HB 1504 passed the legislature on Wednesday. The bill authorizes local governments in Eastern WA and Clark County to allow resource lands that are adjacent to Class II and II railroads to be zoned for freight rail-dependent uses. WPPA supports this bill.

ENVIRONMENT AND LAND USE

Hydraulic Projects: HB 1428/SB 5228 – Discussions are high-centered on jurisdiction. It is increasingly unlikely that HPA legislation will pass this session.

Surtax on the Hazardous Substances Tax and MTCA: The House passed the MTCA surtax bill, HB 2182, and sent it

For current and previous copies of our report, visit: www.washingtonports.org

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.

* 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

over to the Senate. WPPA testified in support of the bill on Wednesday. (see testimony here: www.tvw.org/watch/?clientID=9375922947&eventID=2017041148&eventID=2017041148&startStreamAt=3637&stopStreamAt=4020&autoStartStream=true). Consistent with the guidance adopted by the Legislative Committee, WPPA exhausted all other feasible alternatives before offering reluctant support to the House bill.

Commissioners are encouraged to contact Senators to express support for Remedial Action Grants and House Bill 2182.

Water Availability/Hirst and Foster Decisions: Negotiations continue behind the scenes. Some indications of progress have been reported, tempered by reports of petty squabbles among the various parties. Water-related legislation is often the last action taken at the close of a legislative session.

Carbon Taxes: It is impossible to assess which tax proposals, if any, may be adopted by the 2017 Legislature. There is no clearer line between the House and the Senate than their support/revulsion for new taxes. Interest groups are working hard to ensure that their sector is not considered for tax increases.

GOVERNANCE

Eminent Domain: SB 5049 has passed the legislature. It 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.

Public Records Act Reform: HB 1595 – a priority bill for WPPA – passed the legislature this week and now heads to the Governor. HB 1595 allows agencies to recover costs associated with fulfilling records requests and provides agencies with the right to deny certain types of requests. HB 1594 also passed. 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. WPPA strongly supports both bills.

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

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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.

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, and could be part of budget negotiations.

PERS Underfunded Liabilities Account: SB 5900 remains on the Senate floor calendar, and could be part of final negotiations. It 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.

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 is on the Governor's desk.

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 in the Senate last week and is on the Governor's desk.

Responsible Bidder Criteria: SB 5301 revises responsible bidder criteria provisions to include willful and repeated violations of prevailing-wage rates. This bill has passed the Legislature.

TRANSPORTATION

Transportation Budgets: The Senate and House agreed on a transportation budget Thursday and the House was first to pass the legislation Thursday evening. The Senate is expected to follow the House's lead and pass SB 5096 today. The budget advances money for several large Connecting Washington projects and also provides additional money for several local projects around the state. The Puget Sound Gateway Project received an advance for right-of-way acquisition and thanks to tolling, several capacity enhancement projects along I-405 will also be completed. Several studies have been funded including one to identify alternatives for the replacement of the US 2 trestle in Everett as well as a statewide look at air cargo movement.

Board of Pilotage: Agreement on how to address the funding shortfall for the Board of Pilotage was reached in the Transportation Budget this week. The State covers just over half of the additional funding needed to address the \$2 million insurance premium increase with the remainder coming from a \$16 per vessel fee assessed to vessel operators and the remainder is covered by the pilots themselves. 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. In addition to this, the budget has funded a study that will look at the Board of Pilotage Commissioners and consider best practices in tariff setting and will result in a diversity action plan aimed at recruiting, training and retaining a more diverse pool of pilots. The budget only addresses the funding shortfall for the next two years, setting up additional conversations on how to address future projected shortfalls.

Real ID: The House approved and the Senate concurred with SB 5008 on Thursday, making way for the bill to go to the Governor for signature as early as next 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 as well as reducing the fee for the Enhanced Driver's License from \$108 to \$66. Once passed, the state should receive an extension from enforcement at airports and other government institutions until 2020. That will give the State time to convert drivers to the enhanced license, should they wish to do so.

I-5 Columbia River Bridge: SB 5806 has passed both chambers and is on its way to the Governor for signature. The bill establishes the Joint Oregon-Washington Legislative Action Committee to study and propose replacement options for the current I-5 bridge spanning the Columbia River between Vancouver and Portland, Oregon as well as other future bridge replacement needs between the two states. Oregon's Legislature is current debating their own transportation funding package and this step by Washington State is expected to show a willingness to move the conversation forward on this much-needed replacement project. All three of Clark County's port districts have endorsed this effort along with seven of the nine local legislators. WPPA thanks all of them for their leadership on this issue.

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	C 19 L 17	04/17/2017	Morris	
Aviation					
HB 1018	Airport grants/max. amount	Del to Gov	04/13/2017	Dent	
HB 1400	Aviation license plate	C 11 L 17	04/14/2017	Dent	
EHB 1656	Aviation revival. loan prg	S Transportation	03/10/2017	Dent	
Boating and Marina					
SHB 1605	Vessel impoundment	S Pres Signed	04/20/2017	Pettigrew	PS
SB 5442	Boating safety programs	H Rules C	04/14/2017	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 FP	04/20/2017	King	
SB 5127	Carbon pollution tax	S 2nd Reading	02/27/2017	Braun	
Economic Development					
SHB 1183	Creative districts	S Pres Signed	04/20/2017	McBride	APP
HJM 4012	Harbor maintenance tx reform	H Tech & Econ D	04/04/2017	Dent	
SB 5088	Local infrastruct. financing	S Ways & Means	01/12/2017	Honeyford	
SB 5496	Local infrastructure funding	S Ways & Means	01/26/2017	Rivers	
ESSB 5679	Port districts/telecomm serv	H 2nd Reading	04/18/2017	Warnick	EET
SB 5711	Telecommunications services	S Rules	03/17/2017	Ericksen	

[SSB 5790](#) GMA economic dev. element H Spkr Signed 04/20/2017 [Short](#) [LGOV](#)

Environmental and Natural Resources

[SHB 1010](#) Dept. of ecology agreements Del to Gov 04/13/2017 [Shea](#) [ENVI](#)
[SHB 1086](#) Impact statements/two years Del to Gov 04/20/2017 [Blake](#) [ENVI](#)
[SHB 1121](#) Puget Sound action agenda Del to Gov 04/13/2017 [Muri](#) [ENVI](#)
[SHB 1266](#) Petroleum storage tanks C 23 L 17 04/17/2017 [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](#)
[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 1417](#) OPMA/IT security matters Del to Gov 04/18/2017 [Hudgins](#) [SEIT](#)
[ESHB 1594](#) Public records admin. S Pres Signed 04/20/2017 [McBride](#) [APP](#)
[EHB 1595](#) Public records request costs S Pres Signed 04/20/2017 [Nealey](#)
[SSB 5896](#) Claims against pub. entities S 2nd Reading 03/29/2017 [Rossi](#) [LAW](#)

Land Use

[ESHB 1017](#) School siting S Pres Signed 04/20/2017 [McCaslin](#) [ENVI](#)
[ESHB 1504](#) GMA/rail dependent uses H Passed FP 04/19/2017 [Pike](#) [ENVI](#)
[SHB 1747](#) Withdrawal of land Del to Gov 04/18/2017 [Taylor](#) [FIN](#)

Public Works and Labor

[HB 1324](#) Local infrastruct. financing H Cap Budget 02/06/2017 [Tharinger](#)
[ESHB 1538](#) Subcontractor bonding Del to Gov 04/18/2017 [Stambaugh](#) [CB](#)
[SHB 1677](#) Local infrastructure funding H Rules C 04/14/2017 [Peterson](#) [CB](#)
[SHB 1683](#) Sewer service/growth areas Del to Gov 04/18/2017 [Appleton](#) [ENVI](#)
[HB 2052](#) Alt contracting methods cert Del to Gov 04/18/2017 [Buys](#)
[HB 2192](#) Public works account taxes H Approps 03/29/2017 [Ormsby](#)
[SB 5036](#) PUD unit priced contracting C 85 L 17 04/20/2017 [Takko](#)
[SB 5734](#) State contracting & bonding C 75 L 17 04/20/2017 [Chase](#)

Tax

[ESHB 1296](#) Tax incentives report&survey Del to Gov 04/18/2017 [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 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](#)
[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 WMDP 04/20/2017 [Baumgartner](#)

Transportation

[ESHB 1105](#) Railroad crew transportation Del to Gov 04/20/2017 [Stanford](#) [TR](#)
[ESHB 1136](#) Oil spill planning/nonfuel S Pres Signed 04/20/2017 [Dye](#) [ENVI](#)
[HB 1146](#) Trans sup budget 2015-2017 H Trans 01/12/2017 [Clibborn](#)
[SHB 1147](#) Transport. budget 2017-2019 H Rules C 04/14/2017 [Clibborn](#) [TR](#)
[SHB 1273](#) Nondomiciled licenses S Pres Signed 04/20/2017 [Ryu](#) [TR](#)
[HB 1395](#) PTBAs/job order contracts Del to Gov 04/18/2017 [Peterson](#)
[SHB 1490](#) Preservation rating info. Del to Gov 04/18/2017 [Fey](#) [TR](#)
[ESHB 1504](#) GMA/rail dependent uses H Passed FP 04/19/2017 [Pike](#) [ENVI](#)
[HB 1606](#) TBD fees & charges/hearings S Rules 2 03/23/2017 [Pike](#)
[SHB 1905](#) Vessel pilotage act exempt. Del to Gov 04/18/2017 [Orcutt](#) [TR](#)
[ESB 5008](#) REAL ID compliance S Passed FP 04/20/2017 [King](#)
[SB 5049](#) Relocation assistance H Spkr Signed 04/20/2017 [King](#)
[SB 5095](#) Trans sup budget 2015-2017 S Transportation 01/12/2017 [King](#)

ESB 5096	Transport. budget 2017-2019	H Passed FP	04/20/2017	King	
SB 5227	On-track equipment	C 87 L 17	04/20/2017	King	
SSB 5262	Vessel pilotage act exempt.	C 88 L 17	04/20/2017	King	TRAN
SB 5649	Regional trans planning orgs	C 68 L 17	04/19/2017	Hawkins	
SSB 5806	I-5 Columbia river bridge	H Spkr Signed	04/20/2017	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.