



WASHINGTON PUBLIC PORTS ASSOCIATION

# LEGISLATIVE REPORT

WEEK OF JANUARY 29, 2018

## INTRODUCTION

The legislature reached its first 'cutoff' today, when non-fiscal bills need to be voted out of their initial committee. The week was full of committee hearings and voting. Next Tuesday Feb 6th is the deadline for fiscal measures to advance out of the Ways & Means, Appropriations, Finance, Capital Budget and Transportation Committees.

The House Appropriations Committee is meeting tomorrow (Saturday) to hear forty-one bills. All of the fiscal committees will be having long hearings and voting sessions next Monday and Tuesday.

For ports it was a good week. Our priority measures all remain alive and are advancing through the process. There were hearings this week on port broadband authority and public works contracting authority, as well as the rail banked Milwaukee Road corridor and maritime pilotage. The Governor's carbon tax also moved out of its initial committee, though in a scaled-down form.

Most legislators continue to say that they want to wrap this session up in the sixty-day timeframe. Next Tuesday the 6th is the mid-point. For details on all of these issues, keep reading.

## ECONOMIC DEVELOPMENT

**Port Broadband Authority: HB 2664**, which modernizes and expand port broadband authority, advanced out of the House Technology and Economic Development Committee to Rules this week on a unanimous vote. **SB 5935**, a broader telecommunications policy bill, also advanced out of the Senate Energy, Environment & Technology Committee this week. Following amendment, it includes provisions adding the Ports of Ridgefield, Bellingham, Friday Harbor, Orcas, Vancouver, Benton and Lopez. As these bills continue to advance options for negotiating to enhance port authority will increase.

**CERB Broadband Funds: SB 6545** and **HB 2943** remain alive in their respective fiscal committees. They add an additional \$5 million to the Capital Budget's existing \$5 million for broadband projects in rural areas. They also eliminate the 'median wage' requirement for these types of projects only. Neither bill is scheduled for a hearing yet.

**Workforce Training: HB 1510**, broadening port district authority to provide workforce training programs, has passed its initial committee and is in the Rules Committee.

**Tourism Promotion:** The primary bill relating to creating and funding a state tourism program is **SB 5251**, which is now in its 3rd Substitute form. The bill creates a tourism board, and directs 0.2% of the sales tax on lodging, rental cars and restaurants into a tourism account managed by the board, up to a maximum of \$2.5 million per year. The funding has a non-state matching requirement and is subject to annual appropriation in the Operating Budget. The bill was heard in the Ways & Means Committee on January 30th.

## ACTION TO TAKE:

### Contact Your Legislators to Support:

- **Port Broadband Authority: HB2664**
- **Port Bid Limits: SB 6329 and HB 2690**
- **Airport Infrastructure Funding: HB 2754**

## AT A GLANCE

Length: 60 days

Session began on: January 8, 2018

For up-to-date legislative information, text of bills and other helpful information, including hearing schedules, visit: [www.leg.wa.gov](http://www.leg.wa.gov)

Hearings – including past hearings - may be watched at: [www.tw.org](http://www.tw.org)

For current and previous copies of our report, visit: [www.washingtonports.org](http://www.washingtonports.org)



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## ENVIRONMENT

**Maintaining Public Health and Environmental Standards: SB 6083** – The bill is problematic for ports and is opposed by the Department of Ecology. In response to concerns with changes in Washington, DC, the bill requires state and local agencies to maintain and enforce certain environmental and drinking water laws at current federal baseline standards. It also requires state and local agencies, if a standard has not been established, to adopt a current federal baseline standard. Because of its effects on the administration of state environmental regulations, WPPA opposes this bill.

**Carbon Taxes: SB 6203** – The Energy, Environment & Telecommunications Committee passed an amended bill on Thursday evening. The bill sets a price per ton for carbon emissions, exempts certain activities from paying the new tax and dedicates a portion of the proceeds to transportation purposes. Senator Hobbs, chair of the Senate Transportation Committee, voted against the bill. There were a number of changes made to the bill and it remains very much a work in progress. WPPA remains neutral on the bill.

**Low Carbon Fuel Standards: HB 2338** – The Department of Ecology is directed to adopt rules that limit the greenhouse gas emissions per unit of fuel energy (low carbon fuel standard) in transportation fuels used in Washington. The bill will be heard in the Transportation Committee on February 5.

**Strengthening Oil Transportation Safety: SB 6269** – The bill was amended and passed out of the Energy, Environmental and Telecommunications (EET) Committee. Changes included eliminating the 2 cent increase in the barrel tax. In addition, Ecology is directed to study options to fund the state Spills Program. The Ways and Means Committee will now consider the legislation.

**Construction in State Waters: HB 2337** – The bill was not brought to a vote in the House Agriculture and Natural Resources Committee. It appears dead for the session. WPPA will continue to monitor its status.

**Anti-fouling Paint for Recreational Boats: SB 6333** – A ban on the use of anti-fouling paints set to take effect this year is delayed until 2021. Wooden craft are permanently exempted from the ban. The Department of Ecology and the paint industry have not been able to find a less toxic alternative to paints containing copper. Awaiting floor action in Rules.

## TAX

**Memorial on Harbor Maintenance Tax: SJM 8008** relates to the federal Harbor Maintenance Tax (HMT), and requests Congress to reform the tax to ensure that US tax policy does not disadvantage US ports, and to provide greater equity to HMT donor ports through expanded uses of the HMT revenues. It is on the Senate floor calendar awaiting a vote. The House version of the bill, **HJM 4012**, has been heard in the House and remains in Rules.

## SESSION CUT-OFF DATES

### January 8

First Day of Session

### February 1

Policy Committee Cutoff -  
House of Origin

### February 6

Fiscal Committee Cutoff -  
House of Origin

### February 14

House of Origin Cutoff

### February 23

Policy Committee Cutoff -  
Opposite House

### February 26

Fiscal Committee Cutoff -  
Opposite House

### March 2

Opposite House Cutoff

### March 8

Last Day Allowed for  
Regular Session



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## GOVERNANCE

**Voting Rights Act:** The Senate version of this measure, **SB 6002**, has been heard in the House. It still includes port districts but was improved in the Senate to eliminate the alternative voting mechanisms, and received some additional improvements relating to presumption of validity. The House version, **HB 1800**, is on the House floor awaiting a vote. It is not clear which bill will become the final vehicle.

**Port of Seattle Commissioner Districts: HB 1999**, which creates nine commissioner districts for the Port of Seattle, with commissioners nominated and elected only within their district, has passed out of its initial committee and remains in the Rules Committee.

**Campaign Contribution Limits for Port Commissioners: HB 2647** remained the Rules Committee this week. The bill extends current campaign contribution limits for port districts with over 200,000 registered voters to all port districts. This creates a uniform campaign contribution limit among all ports (and other special purpose districts) of \$800 per individual contributor per candidate per election cycle (primary separate from general).

**Collective Bargaining for Port Professional Staff: SB 6230**, which allows port professional staff to have a representation vote, has passed out of Committee on a party-line vote and remains the Rules Committee. Contact Eric at the WPPA office with questions on its status or details.

## AVIATION

**Airport Infrastructure Funding: HB 2754** would reallocate 1% of the aviation fuel tax to program additional grant funding for airport infrastructure across the state. The bill is fashioned after a similar reallocation of aircraft excise tax funds which occurred in 2015 and resulted in an increase in revenue to the general fund due to the ability to collect sales and B&O taxes on the additional infrastructure projects which resulted. The bill had strong support in the committee hearing. WPPA is supportive of this bill and is currently working to ensure that it gets voted out of committee prior to cut-off. A one-pager is available if you are interested in discussing the importance of this bill with your legislator.

**The Community Aviation Revitalization Board** would be tasked to solicit projects, review them and recommend loan funding specifically designed to fund revenue generating projects at general aviation airports. Bills **HB1656** and **SB 5328** are important because they are the policy companion to the \$5 million in funding already secured in the Capital Budget. The House version of the bill is scheduled for executive session next Tuesday while the Senate version is currently in the Rules Committee.

## TRANSPORTATION

**Retaining "Railbank" Provision on the Milwaukee Road Corridor:** The Senate Transportation Committee hearing on **SB 6363** ended positively with the Chair declaring he would likely allow the bill to be voted on by the committee next week. WPPA supports this bill which would eliminate the sunset clause and retain the existing framework in state law that allows the cross-state trail known as the John Wayne Trail to again be used for rail transportation in the future, should it be needed. WPPA supports the retention of state assets that support port's economic development mission.

**Accelerating Transportation Projects of Statewide Significance:** Both legislative chambers have introduced bills designed to accelerate transportation projects costing over \$1 billion. **HB 2646** and **SB 6195** would streamline certain permitting requirements and make other refinements to achieve its goal. The bill was specifically designed to position these benefits be afforded to a replacement bridge for the I-5 crossing over the Columbia River but the new designation could apply to any transportation projects that meet the criteria anywhere across the state. Both bills were heard in committee and were passed out of their respective committees earlier this week.



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## TRANSPORTATION (CON'T)

**Codification of Connecting Washington funding for important programs: HB 2896** and **SB 6530** would codify funding provided in Connecting Washington to funding programs like the Freight Mobility Strategic Investment Board (FMSIB), Transportation Improvement Board (TIB) and others. WPPA supports this legislation because it provides ports increased confidence that anticipated funding for those important programs will be available over the remaining fourteen years of Connecting Washington. The Senate version of the bill was heard this week, while the House version is scheduled for a hearing next Monday. The House is expected to vote on their bill next Tuesday.

**Maritime Pilotage: SB 6519** relates to maritime pilotage, and is the most significant policy change proposed to maritime pilotage in many years. The bill implements the recommendations of a recent legislative study, and transfers the authority to set pilotage tariffs from the Board of Pilotage Commissioners to the Utility and Transportation Commission. The Board would retain responsibility for training and certification. The measure is supported by Puget Sound shipping lines and pilots. Amendments are needed to account for the Grays Harbor Pilotage District's unique needs. The bill was heard on Wednesday.

## PUBLIC WORKS

**Unit Priced Contracting** – WPPA supports both **SB 6072** and **HB 2691** which would clarify port's authority to continue to use unit priced contracting. **SB 6072** has been placed on the floor calendar and includes an amendment instructing ports to be inclusive of women and minority-owned contractors. **HB 2691** has been heard by two committees. The House Capital Budget Committee intends to combine both of our public works bills into a substitute **HB 2690**, which was voted out of committee this morning. While not ideal, given the sheer volume of bills and the absence of any pushback on either of our efforts combining our public works requests may be a prudent path forward. WPPA continues to champion these bills.

**Establishing a Bid Limit** – Port districts are one of only two local governments that do not have authority to waive competitive bidding requirements under a certain financial threshold. **SB 6329** and **HB 2690** would allow ports to do so when the anticipated cost of the public works project is less than \$40,000. **HB 2690** is set to have our unit priced contract language added to it. We are currently working to ensure **SB 6329** is pulled from the Senate Rules Committee and added to the floor calendar. Please consider weighing in with your Senator on the importance of the bill and requesting **SB 6329** be included in the floor calendar.