

LEGISLATIVE REPORT

WEEK OF FEBRUARY 5, 2018

INTRODUCTION

We have reached the mid-point of the legislative session, and it has been a week of long days and nights. Tuesday was the deadline for fiscal bills to move out of committee. Wednesday the House and Senate began floor action, and with firm control of both chambers the Democrats are pressing ahead with many bills. The Senate worked late into the evening both Wednesday and Thursday, and they also plan to work all weekend. Next Wednesday is the deadline for Senate bills to move out of the Senate, and House bills to clear the House. This is a major deadline.

For ports it was a relatively good week. The bills that we support all moved another step or two in the process, including broadband authority and some public works contracting improvements.

A number of measures attempting to address rural economic development were unveiled this week in the House, and the debate about imposing a carbon tax continues. For details on all of this and more, keep reading.

ECONOMIC DEVELOPMENT

Port Broadband Authority: HB 2664, which modernizes and expands port broadband authority, advanced out of the House Technology and Economic Development Committee on a unanimous vote and currently sits on the House floor calendar. **SB 5935**, a broader telecommunications policy bill, advanced out of the Rules Committee this week and sits on the Senate floor calendar. Following amendment, the bill includes provisions granting telecommunications authority to 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: HB 2943 remains alive in committee. It adds an additional \$5 million to the Capital Budget's existing \$5 million for broadband projects in rural areas. It also eliminates the 'median wage' requirement for these types of projects only.

Workforce Training: HB 1510, broadening port district authority to provide workforce training programs, passed the House Thursday 98-0.

Tourism Promotion: The primary bill relating to creating and funding a state tourism program is **SB 5251**, which is now in its 4th 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 moved onto the Senate floor calendar this week.

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

Hearings – including past hearings - may be watched at: www.tw.org

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



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ENVIRONMENT

Maintaining Public Health and Environmental Standards: SB 6083 – The bill died in Ways and Means.

Carbon Taxes: SB 6203 – The Senate Energy, Environment and Telecommunication Committee passed an amended bill and discussions continue. 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. There has been some talk of passing a LCFS bill in lieu of a carbon tax. WPPA is neutral.

Strengthening Oil Transportation Safety: SB 6269/HB 1611 – The focus of the debate is the extent to which the bill increases revenue to support Ecology's Spills Program. Extending the barrel tax to pipelines and/or increasing the barrel tax are under discussion. WPPA is seeking an amendment in the Senate to modify a study to ensure that vessel fees are not the focus.

Anti-fouling Paint for Recreational Boats: SB 6333/HB 2634 – A ban on the use of anti-fouling paints set to take affect this year is delayed until 2021. Wooden craft are permanently exempted from the ban. The Department of Ecology and the paint industry have not yet found a less toxic alternative to paints containing copper. The House bill passed unanimously on Thursday.

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, but it is currently stuck in the Transportation committee.

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 in Rules, while the Senate version is currently on the floor calendar.

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**, moved out of the Senate 29-19, was heard in the House and is scheduled for executive session in the Committee on State Government, Elections, and Information Technology. 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 passed out of the House this week on a vote of 97-0. 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, moved to the Senate floor calendar this week. Contact Eric at the WPPA office with questions on its status or details.

TRANSPORTATION

Retaining "Railbank" Provision on the Milwaukee Road Corridor: SB 6363 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. The bill is on the Senate floor calendar.

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 are on the floor calendar.

Codification of Connecting Washington funding for important programs: HB 2896 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 bill is in the Rules Committee.

Maritime Pilotage: Following a legislatively directed study on best practices in North American pilotage an interest in transferring tariff setting authority from the Board of Pilotage Commissioners to the Utilities and Transportation Commission has emerged. We support these efforts and are working to steer the two active bills focused on this issue (**SB 6519** and **HB 2983**) to grant tariff setting authority for the Grays Harbor Pilotage District to the Port of Grays Harbor. Both bills currently sit in their respective Rules Committee.



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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** passed the Senate this week after **HB 2691** was combined with **HB 2691**, and the merged bills are on the House floor calendar. 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 this bill.

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** has 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.

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. The memorial was amended and passed out of the Senate this week on a vote of 47-1. The House version, **HJM 4012**, has been moved to the House floor calendar.