

# LEGISLATIVE REPORT

WEEK OF FEBRUARY 16, 2018

## INTRODUCTION

It has been a busy week in Olympia. Wednesday at 5:00 was the cutoff timeline for bills to be voted out of their initial chamber. This is always a busy and stressful deadline. Many bills died on the floor calendars because they were not brought up for a vote.

For ports it was a good week. All of the measures that we are advocating moved past the deadline in some form. In some cases, like public works contracting, the House measures did not get a vote, but the Senate versions of the bills did. Both chambers passed bills modernizing port broadband powers, and an important rail corridor bill advanced.

From here on things will happen quickly; every week will bring another cutoff deadline. The Supplemental Budget discussion also heads into the open now. The revenue forecast was released yesterday and it revealed good news: revenues for the remainder of this budget cycle will be \$628 million higher than last year's forecast, and the following biennial cycle is predicted to be \$660 million higher. These numbers are driven by increased consumer spending and higher numbers of real estate transactions.

## BUDGET

### The Supplemental Operating, Capital and Transportation budgets

are now being written. These will probably not contain major changes to the underlying budgets, but will make important mid-year tweaks to the numbers. The proposed budgets have not been released yet, but should be next week.

## 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 was voted off the floor of the House this week 98 – 0. **SB 5935**, a broader telecommunications policy bill that contains port-authority language, was also voted off Senate floor 45 – 3. **HB 2664** will be heard in the Senate Committee on Energy, Environment & Technology next Tuesday. **SB 5935** is not yet scheduled for additional hearings.

**Workforce Training: HB 1510**, broadening port district authority to provide workforce training programs, passed out of the House last week on a vote of 98-0 and is scheduled for public hearing in the Senate Committee on Higher Education & Workforce Development next Tuesday.

**Tourism Promotion: SB 5251** moved out of the Senate last weekend on a vote of 47-0 and is scheduled for a public hearing and executive session next week in the House Committee on Community Development, Housing & Tribal Affairs. The bill creates and funds a state tourism program by establishing a tourism board, and directs 0.2% of the sales tax on lodging, rental cars and restaurants into an account managed by the board. The state funding is limited to \$2.5 million per year, has a non-state matching requirement, and is subject to annual appropriation in the Operating Budget.

## ACTION TO TAKE:

### Contact Your Legislators to Support:

- **Port Broadband  
Authority: HB2664**

- **Port Bid Limits:  
SB 6329**

- **Unit-Price Contracting:  
SB 6072**

- **Tourism Promotion  
SB 5251**

## 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

**Carbon Taxes: SB 6203** – The bill was heard in Ways and Means on Thursday. The criticisms of a carbon tax remain: exemptions for certain sectors, the tax burden, and whether it will have a meaningful result. At the same time, business support for the bill seems to be increasing, while opposition in this community seems more muted than in past forums. While the prospects this bill will reach the Governor remain low, the energy behind the measure was surprisingly high. WPPA remains neutral on the bill.

**Low Carbon Fuel Standards: HB 2338** – The bill failed to pass the House and is likely dead for the year.

**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 testified in Ways and Means in support of an amendment to reduce the risk that a new vessel fee will be established. We reminded the committee that MTCA provides a \$17 million subsidy to the Spills Program; a policy that reduces the state's ability to pay for toxic clean ups at ports.

**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. Both House and Senate bills passed the cutoff.

## AVIATION

**Airport Infrastructure Funding:** The low interest loan program administered by 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 with fewer than 50,000 enplanements. Both bills **HB 1656** and **SB 5328** were voted unanimously out of their respective chambers last week. Passing one of these bills is important because the program has already secured \$5 million in funding in the Capital Budget.

**Aviation Fuel Tax: HB 2754** would reallocate 1% of the aviation fuel tax to program to match additional federal grant funding for airport infrastructure across the state. This bill was not moved out of committee last week and although it has a budget component it appears to be dead for this session.

## 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 not going to move.

**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, died in the Rules Committee.

**Campaign Contribution Limits for Port Commissioners: HB 2647** passed out of the House last 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, passed the Senate this week after an amendment requiring professional staff and supervisors to be in separate units. Contact Eric at the WPPA office with questions on its status or details.

## TRANSPORTATION

**Supplemental Transportation Budget:** All eyes will turn towards budgets in Olympia next week with the Senate releasing their budget Monday followed by the House on Tuesday. **SB 6106** and **HB 2469** will be heard in their respective committees on Monday (**SB 6106**) and Tuesday (**HB 2469**). Work to find an agreement between both chambers as well as the Governor's budget which was released last November will then commence.

**Retaining "Railbank" Provision on the John Wayne Trail:** The Senate voted unanimously to advance this little bill out of the chamber last week. The House Transportation Committee will hear **SB 6363** next Wednesday. WPPA has promoted 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 bills were 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. **SB 6195** has advanced out of the Senate Chamber and will be heard in the House Transportation Committee next Wednesday.

**Codification of Connecting Washington: 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 indeed be available over the remaining term of Connecting Washington. Neither bill has advanced but it is expected these bills have a budgetary impact and therefore may resurface during those discussions.

**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. A House bill (**HB 2983**) designed to do this died on the floor calendar this week, but the Senate version (**SB 6519**) passed 46 – 1 and will be the vehicle for discussion. We support this effort and are working to steer the remaining bill to grant tariff setting authority for the Grays Harbor Pilotage District to the Port of Grays Harbor.



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## PUBLIC WORKS

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**Unit Priced Contracting:** WPPA has presented both **SB 6072** and **HB 2691** which would clarify port's authority to continue to use unit priced contracting. **SB 6072** passed out of the Senate last week and was already heard in the House Local Government Committee yesterday. The committee is set to vote on the bill next Wednesday. **HB 2691** was combined with our bid limit bill in the House. It failed to be voted on by the full chamber. This is not necessarily an ominous sign as all indications suggest the House opted to not vote on the bill knowing the Senate had already advanced **SB 6072**.

**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. Similar to our unit price contracting bills, the Senate passed **SB 6329** out of the chamber last week. The bill is scheduled to be heard by the House Local Government Committee next Tuesday and then be voted on by the committee next Wednesday. **HB 2690** failed to be voted on by the House and will not advance.

## TAX

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**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** also passed the House on Wednesday.