

LEGISLATIVE REPORT

WEEK OF FEBRUARY 23, 2018

INTRODUCTION

It has been another busy week in Olympia. We reached another cutoff today, when non-fiscal bills need to be out of their first committee in the opposite chamber. All of the committees are busy hearing and voting on bills. Monday is the deadline for bills to be out of the fiscal committees. This means long hearings on Saturday and Monday. On Tuesday the House and Senate will return to floor action. We appear to remain on course for an on-time adjournment in two weeks.

For ports it was both a busy and successful week. Bills modernizing our broadband authority cleared key hurdles, as did the bills that improve our public works processes. Transportation issues also went well.

Both chambers released their Supplemental Budgets this week. These measures make mid-point changes in the biennial budgets. The House Capital Budget proposes additional increases to CERB, as well as individual appropriations for a number of smaller port projects. Recreational grants under ALEA were also increased.

For details on all of this and more, keep reading.

BUDGET

Both chambers released their **Supplemental Operating, Capital and Transportation Budgets** this week. There were no major changes to the underlying budgets, but some improvements are notable. The House increased funding for **CERB** by an additional \$5 million, for a total of \$13 million. The House also added an additional \$5 million for rural broadband for a total of \$10 million. The Senate did not make these additions.

Smaller individual capital appropriations were made to the Port of Sunnyside in the Senate, and to the ports of Allyn, Ilwaco, Chinook, Centralia and Willapa Harbor in the House. Differences in the budgets will be negotiated over the next two weeks.

ECONOMIC DEVELOPMENT

Port Broadband Authority: HB 2664, which modernizes and expands port broadband authority, advanced out of the Senate Energy, Environment & Technology Committee to the Rules Committee this week. **SB 5935**, a broader telecommunications policy bill containing port authority language, was heard in the House Committee on Technology & Economic Development this week, and is scheduled for executive action on March 1.

Workforce Training: HB 1510, which broadens port district authority to provide workforce training programs, passed out of the Senate Committee on Higher Education & Workforce Development this week and now sits in the Senate Rules Committee.

Tourism Promotion: SB 5251 moved out of the House Committee on Community Development, Housing & Tribal Affairs on executive action and was referred to the House Appropriations Committee. The bill creates and funds a state tourism program by establishing a tourism board, and directing 0.2% of sales tax on lodging, rental cars and restaurants into an account managed by the board. The state funding portion 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

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

Strengthening Oil Transportation Safety: SB 6269 – The bill sets up vessel fees for study by Ecology. WPPA is working with a coalition to oppose these fees and improve other sections of the bill. The current version includes extending the barrel tax to pipelines. It seems likely the bill will wait until the end of session to be resolved.

Carbon-related Utility Bills: HB 2995 and HB 2997 – Late introductions to the session, the bills modify statues regulating public utility companies. One area in which parties have reached some consensus in the negotiations over **SB 6203** is the reduction of carbon emissions in electrical generation. These bills are an effort to identify possibly areas of agreement that have emerged. WPPA is neutral.

Carbon Taxes: SB 6203 – The bill continues to limp along with a poor prognosis. WPPA remains neutral.

AVIATION

Airport Infrastructure Funding: HB 1656 was heard by the Senate Transportation Committee this past Monday with lots of support from aviation interests. The bill would create the Community Aviation Revitalization Loan Program and standup a board which 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 per year. We are working to get the committee to vote on the bill next Monday in order to keep it alive. Meanwhile the budgets have provided funding for WSDOT Aviation to administer the program. Meanwhile, no action has been taken on **SB 5328**. Passing one of these bills is important because the loan program has already secured \$5 million in funding in the Capital Budget.

TAX

Memorial on Harbor Maintenance Tax: HJM 8008 received public hearing and executive action in the House Committee on Technology & Economic Development this week. The memorial relates to the federal Harbor Maintenance Tax (HMT), and requests Congress reform the tax to ensure US tax policy does not disadvantage US ports, and provide greater equity to HMT donor ports through expanded uses of the HMT revenues.

Tax Preference to Support the Recapitalization of Fishing Fleets: HB 1154 passed out of the House on a vote of 97-0 earlier in the session and this week moved out of the Senate Committee on Agriculture, Water, Natural Resources & Parks on executive action. The bill focusses on the competitiveness of Washington state's fishing and seafood processing industries by supporting the recapitalization of fishing fleets by reducing taxes placed on businesses engaged in the manufacture of qualified vessels.

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: SH 6002 was voted out of committee in the House with some improvements, but also with some amendments of concern. In particular, the House committee added language that basically makes a local government's attempts to remedy a voting barrier invalid, and instead tilts the discussion towards citizen-based solutions. We will be working with other local government associations to try to fix this.

Campaign Limits for Port District Elections: HB 2647, which places all port races in the same contribution limit statute as other governments, was heard and voted out of Senate Committee this week. WPPA supports the bill.

Public Records Act: In an astonishing display of self-protection, the legislature unveiled a bill this week that removes itself from coverage under the Public Records Act, immediately and retroactively. **SB 6617** received a work session yesterday, one day after it was introduced. Early statements indicate that they intend to pass it on a fast track. Some legislators claim that they will be unable to effectively function if they are subject to the PRA. Most local governments would likely disagree.

TRANSPORTATION

Milwaukee Road Corridor: SB 6363, which makes permanent the 'rail-banking' provisions for the old Milwaukee Road rail corridor between Ellensburg and Maringo, was heard in the House Transportation Committee. The bill is scheduled for a vote Monday. WPPA testified in support of the measure.

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. After being voted out of the Senate 46-1, **SB 6519** was amended and moved from the House Transportation Committee to Rules Committee this week. We support this effort and have worked to influence tariff language and acquire tariff-setting authority for the Port of Grays Harbor as part of the bill.

Accelerating Transportation Projects of Statewide Significance: This bill would accelerate transportation projects costing over \$1 billion by streamlining certain permitting requirements and making other refinements to achieve its goal. The bill was specifically designed to expedite the 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 in the state. **SB 6195** was heard in the House Transportation Committee on Wednesday and will be voted on by the committee next Monday.

Codification of Connecting Washington funding for important programs: HB 2896 and **SB 6530** would have codified funding provided in Connecting Washington to programs like the Freight Mobility Strategic Investment Board (FM-SIB), Transportation Improvement Board (TIB) and others. WPPA supported this legislation because it provides ports increased confidence that anticipated funding for those programs will indeed be available over the remaining term of Connecting Washington. Neither bill has advanced nor were they included in either chamber's transportation budget and therefore, are dead for this session.

LABOR

Port professional personnel: SB 6230, which allows port professional personnel to collectively bargain, was heard and voted out of committee party line. An amendment to limit the measure to only Seattle and Tacoma failed.



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PUBLIC WORKS

Prevailing Wage: SB 5493, which states prevailing wage will be set by collective bargaining agreements if they exist, was heard and voted out of committee on a party-line vote. WPPA secured an amendment in the original committee that prevailing wages will only be set using wage data from the county where the work is conducted.

Unit Priced Contracting: WPPA presented **SB 6072** which would clarify port's authority to continue to use unit-priced contracting. **SB 6072** was voted out of the House Local Government Committee Wednesday and heard the very next day in the House Capital Budget Committee. That committee is set to vote on the bill next Monday, however, it appears likely that this committee will combine our two contracting bills into **SB 6329** instead. Given the timing and the large number of bills to be heard on by the House, this appears to be a good strategy for us given the strong support both bills have received.

Establishing a Bid Limit: It was a busy week for **SB 6329** which was heard in the House Local Government Committee on Tuesday, voted out of committee Wednesday and heard by the House Capital Budget Committee on Thursday. The bill is scheduled to be voted on by that committee next Monday. It will likely be amended to include our Unit Price Contracting bill, **SB 6072** as well, leaving **SB 6329** as the sole remaining port contracting bill alive this session. The bill in its current format would allow ports to forego competitive bidding requirements for public works project less than \$40,000.