

INTRODUCTION

This week in the legislature consisted of high emotions and some late nights. Today at 5:00PM is the deadline for non-fiscal bills to move out of the opposite chamber, and there is a lot of effort being put into either getting bills a vote, or keeping them from getting a vote.

There was high drama this week on the Public Records Act. Last weekend's unprecedented action by the legislature to exempt itself from the PRA was met with outrage on the front page of every newspaper, and yesterday the Governor vetoed the bill. Carbon politics was also on full display, with a formal carbon tax being declared dead but alternative approaches still in play. The House Republicans walked off the floor en masse Thursday night to protest a union bill.

In the midst of this yeasty display of representative democracy, your staff worked to advance the measures of importance to ports. WPPA's priority public works and broadband bills both passed out of their chambers this week. At press time, a number of bills remain on the floor calendar, and we will not know the fate of some of them until tonight's 5:00 deadline.

Bills that were amended in the opposite chamber now head back to their original chamber for concurrence – or not – with the amendments. We remain on course to adjourn next Thursday.

BUDGET

All three of the **Supplemental Budgets** are being negotiated between the House and Senate, after each chamber passed its version last week. These negotiations will continue over the weekend, and the final budgets should emerge next Monday or Tuesday. Rumors on the Capital Budget are that each chamber will fund the other chamber's projects – meaning that if your project is in either the House or Senate Capital Budget, then your project is funded.

TAX

Memorial on Harbor Maintenance Tax: HJM 8008 passed out of the Senate on a vote of 47 – 1 earlier in the session, and this week passed out of the House on a vote of 98 – 0. The memorial will be transmitted to Congress, requesting reform of the federal Harbor Maintenance Tax (HMT) 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.

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 now sits in the Senate Ways & Means Committee, where it can remain active until the last day of the session. The bill focuses on the competitiveness of Washington state's fishing and seafood processing industries, supporting the recapitalization of fishing fleets by reducing taxes placed on businesses engaged in the manufacture of qualified vessels.

ACTION TO TAKE:

Contact Your Legislators to Support:

- **Port Broadband
Authority: HB2664**

- **Port Bid Limits and Unit-
Price Contracting: SB 6329**

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



WASHINGTON PUBLIC PORTS ASSOCIATION

LEGISLATIVE REPORT

MARCH 2, 2018

ENVIRONMENT

Strengthening Oil Transportation Safety: SB 6269 – WPPA worked with a coalition of interests to ensure a balanced study of funding for Ecology's Spills program. While a vessel tax may be considered, the study is not aimed at it. We are confident an amendment by Senator Takko will address our concerns. The bill has been pulled to the floor of the Senate for action.

Carbon-Related Utility Bill: HB 2995 – The bill required electrical generation to be 100 percent carbon-free by 2040. This is a problem for several reasons, the biggest is that combustion turbines are currently the only feasible option to provide back-up generation in support of renewable generating sources. Large energy consumers will see significant cost increases should the bill become law. Note: our analysis from last week stated that utility companies supported the bill. This was in error. WPPA is neutral.

Carbon Taxes: SB 6203 – The Governor declared the bill dead for the session. Advocates are expected to file an initiative today or Monday.

ECONOMIC DEVELOPMENT

Port Broadband Authority: HB 2664, which modernizes and expands port broadband authority, earlier advanced out of the House on a vote of 98-0 and this week advanced out of the Senate on a vote of 48-0. Having been amended in the Senate the bill will be placed on the calendar for possible concurrence. **SB 5953**, an omnibus telecommunications bill which was heard in the House Technology and Economic Development Committee this week, has an amendment pending in the House Appropriations Committee to remove port authority language.

Workforce Training: HB 1510 broadens port district authority to provide workforce training programs. The bill passed out of the House and the Senate Committee on Higher Education & Workforce Development but will not become law as it failed to pass out of the Senate Rules Committee prior to cutoff.

Tourism Promotion: SB 5251 passed out of the Senate earlier on a vote of 47-0, and passed 98-0 out of the House today. The bill creates and funds a state tourism program by establishing a tourism board, and directing 0.2% of the sales tax on lodging, rental cars and restaurants into a tourism 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.

Department of Commerce: Funding improvements contained in supplemental operating budget proposals for the Department of Commerce's economic development focus include \$4 million to the Governor's Economic Strategic Reserve Account and full funding for industrial sector leads. The House supplemental capital budget also contains and additional \$5 million for CERB, with another \$5 million on top of that for CERB administered broadband programs.

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



WASHINGTON PUBLIC PORTS ASSOCIATION

LEGISLATIVE REPORT

MARCH 2, 2018

GOVERNANCE

Voting Rights Act: SB 6002 was voted out of the House this week on a strict party-line 50-48 vote after a very angry debate about its effects on local governments. Amendments were added in the House Committee that significantly disadvantage a local government that attempts to develop a voting remedy in response to a citizen petition. Democrats refused to work with local government associations to address these concerns, and we were essentially run over. The bill now goes to the Senate for concurrence, which is expected.

Campaign Contribution Limits for Port Districts: HB 2647 moved out of the Rules Committee yesterday, and is awaiting a vote on the Senate floor. While not controversial, this measure could get stuck in the final logjam and die without a vote.

Public Records Act: The most dramatic politics of the past week has revolved around the legislature's rushed action last Friday to exempt itself prospectively and retroactively from the Public Records Act. This action followed a court ruling that the legislature was, in fact, covered under the Act. The bill was introduced and passed in 48 hours without a hearing or any significant debate. Among the bill's provisions were sections that set up a limited, legislatively controlled process for reviewing records, whose decisions could not be challenged in court. After front-page newspaper protests, the Governor vetoed the bill last night. Legislators have evidently promised to not override the veto if the court case is stayed, pending negotiations on a solution. This debate will play out for some time, and local governments who are covered under the PRA will need to watch it closely.

TRANSPORTATION

Retaining "Railbank" Provision on the Milwaukee Road Corridor: SB 6363 - the House chamber voted unanimously today to approve this bill. The bill had a minor technical amendment which will require concurrence from the Senate prior to going to the Governor. WPPA has championed 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 (aka the Milwaukee Corridor) to again be used for rail transportation in the future, should it be needed.

Accelerating Transportation Projects of Statewide Significance: This bill would accelerate transportation projects costing over \$1 billion by streamline certain permitting requirements and making other refinements to achieve its goal. The bill is specifically designed to expedite the replacement bridge for the I-5 crossing over the Columbia River, but this new designation could apply to any transportation projects that meet the criteria anywhere in the state. **SB 6195** is on the House floor calendar awaiting a vote.

Pilotage Rate Setting Reform: SB 6519 would move tariff-setting authority for marine pilotage from the Board of Pilotage Commissioners to the Utilities & Transportation Commission. Agreement between those on nearly every side of this issue remains and therefore the bill has received significant support. The bill was voted on in the House on Wednesday and was approved with a unanimous vote. The bill has been amended several times and therefore, it will require a concurrence vote in the Senate next week prior to going to the Governor.

AVIATION

Airport Infrastructure Funding: HB 1656 passed the Senate this afternoon with a vote of 48 to 0. 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. Passing the bill has been particularly important because it provides the policy direction for the \$5 million in funding for the program in the Capital Budget.



WASHINGTON PUBLIC PORTS ASSOCIATION

LEGISLATIVE REPORT

MARCH 2, 2018

PUBLIC WORKS

Port Professional Staff: ESB 6320, allowing port professional staff to unionize, passed the House this week 56-42. The bill now goes to the Governor for signature.

Prevailing Wages: SB 5493, requiring prevailing wages to be set using a collective bargaining agreement, if there is one, passed the House this week. Earlier in the Senate the bill was amended at WPPA urging to limit wage data to the county in which it is generated. The bill now goes to the Governor.

Public Works Contracting Authority: The House Capital Budget Committee did indeed amend **SB 6329** to include both of our public works contracting provisions. The committee voted the bill out to the Rules Committee on Monday. The full House approved the bill on Wednesday evening by a vote of 91 to 7. Since the House amended the bill, it does need to go back to the Senate for concurrence next week prior to going to the Governor for signature. WPPA has prioritized **SB 6329**. In its amended form it both clarifies port's authority to use unit price contracting as well as establishes a bid limit so ports would no longer be required to get multiple bids for public works projects less than \$40,000.