

LEGISLATIVE REPORT

2018 SESSION FINAL REPORT

INTRODUCTION

Last Saturday was the final day for the Governor to take action on bills passed by the legislature. The Governor only vetoed one bill in its entirety, and it was an aviation grant bill that WPPA supported. (More on that in the Aviation section below.)

There were partial vetoes of several bills, many of them sections of one of the budgets. This is a typical practice by all Governors. With the passage of the Saturday deadline, the book can be officially closed on the 2018 legislative session.

Overall it was a good session for ports as all of our priority measures passed. A few items of lower priority stalled, but we can pick those issues up in future years. For a complete list, keep reading.

BUDGET

The Governor signed the **Supplemental Operating, Capital and Transportation budgets** last week. In the Operating Budget the Democrats tried a new spending approach by intercepting and re-directing payments that were intended for the state's "rainy day" fund. This tactic was opposed by Republicans and the State Treasurer.

In the Capital Budget a number of projects were funded at the ports of Allyn, Chinook, Ilwaco, Sunnyside, Vancouver and Willapa Harbor. CERB funding was increased substantially, as well. The basic CERB program was increased from \$9 million to \$13 million, and the CERB broadband program was increased from \$5 million to \$10 million. This overall \$23 million for CERB is a modern-day record.

In the Operating Budget the Governor's Strategic Reserve Account was restored with \$4 million, and the Department of Commerce's Sector Leads were all funded as well.

TAX

Memorial on Harbor Maintenance Tax: HJM 8008 was signed by the Secretary of State and transmitted to Congress. The memorial requests reform of the federal Harbor Maintenance Tax (HMT) to ensure U.S. tax policy does not disadvantage U.S. 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, moved through the Senate Ways & Means Committee, and concluded the session on the Senate floor calendar without a vote. The bill met its demise partly due to a lack of time as well as a push to broaden the exemption to all manufacturing. The bill focused 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.

AVIATION

Airport Infrastructure Funding: HB 1656 was vetoed entirely by the Governor, in a move that surprised nearly everyone. The bill allocated \$5.0 million to the Department of Transportation to establish a Community Aviation Revitalization Loan program, with a board to make loan decisions. Airports with less than 50,000 annual enplanements were eligible. The Governor vetoed the bill because the board included legislators as members. This has been a common practice in other loan programs, and the Governor had not publicly signaled opposition to the bill earlier. The news is mitigated for this year, because the funding already existed in the Capital Budget, along with budget language directing how to spend the money. This means that the program exists for one year, and we can try to pass a bill that everyone supports next year.



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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 still be considered, the study is not aimed at it. That's one small win for ports over the oil interests that continue to push for a vessel tax. The bill passed the legislature and has been signed by the governor.

Industrial Wastewater Systems: SB 6367 extends grant eligibility to ports who operate an industrial wastewater system. The bill passed the legislation and was signed.

ECONOMIC DEVELOPMENT

Port Broadband Authority: HB 2664, which modernizes and expands port broadband authority, advanced through the legislative process without a single 'no' vote and was sent to the Governor's office for signature in the final week of the session. Every port district now has this authority.

Governor's Broadband Office: SB 5953, an omnibus telecommunications bill which would have created a broadband program in the Governor's office, funded the Universal Service Fund, and addressed small cell siting ordinances died on the House floor calendar.

Workforce Training: HB 1510 broadened 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 on a vote of 49-0 and was signed by the Governor. 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: The supplemental operating and capital budgets include funding improvements for the Department of Commerce's economic development focus. The newly enacted budgets include \$4 million to the Governor's Economic Strategic Reserve Account, full funding for industrial sector leads, an additional \$5 million for CERB, with another \$10 million on top of that for CERB administered broadband programs.

GOVERNANCE

Campaign Contribution Limits: HB 2647, extending campaign contribution limits to all port districts, was stuck in the logjam of bills and died on the Senate floor calendar when time ran out. We will address this issue next session.

Voting Rights Act. SB 6002 passed the legislature last week and the governor is expected to sign it. It includes some procedures that local governments might struggle to implement, and it covers port districts.

PUBLIC WORKS

Public Works Contracting Authority: SB 6329 passed the legislature and is now law. The law is set to take effect 90 days following the close of session. Many ports played a role in the success of this effort, however, we'd like to specifically thank the **Port of Edmonds** for their effort. In its amended form, **SB 6329** both clarifies port's authority to use unit-price contracting as well as establishes a bid limit so ports are no longer required to get multiple bids for public works projects less than \$40,000.



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TRANSPORTATION

Supplemental Transportation Budget: SB 6106 passed both chambers, marking the completion of the budget process for this biennium. Following a better-than-expected transportation revenue picture released in February, the Supplemental Budget has a number of small newly funded projects in it, something not typically seen in the supplemental. Several studies will also be undertaken including two new passenger rail studies and several highway corridor studies

Retaining "Railbank" Provision on the Milwaukee Road Corridor: SB 6363. was signed by the Governor. WPPA has championed this bill, which eliminates the sunset clause and retains existing framework in state law allowing 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: In a sign that there is still work to do in order to overcome the demise of the Columbia River Crossing project, **SB 6195** could not muster enough bipartisan support in House for this measure to pass. The bill was specifically designed to expedite the replacement bridge for the I-5 crossing over the Columbia River by creating a project designation in Washington which is similar to how projects are prioritized in Oregon.

Pilotage Rate Setting Reform: SB 6519 has passed the legislature and was signed by the Governor. It will move tariff-setting authority for marine pilotage from the Board of Pilotage Commissioners to the Utilities & Transportation Commission. WPPA supported this bill.

For further legislative information, text of bills and other helpful information, visit: www.leg.wa.gov

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

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