



WASHINGTON PUBLIC PORTS ASSOCIATION

FINAL LEGISLATIVE REPORT

MAY 24, 2019

INTRODUCTION

This week saw the final day of action related to bills passed during the 2019 legislative session as the Governor completed the constitutional signing and vetoing cycle. While the Governor was slightly more active with his veto powers this session, with 2 total and 19 partial vetoes, his actions had little effect on port interests. Overall, the ports had a good session with our priority issues passing or advancing. A few items of lower priority stalled and remain for us to pursue through the interim and beyond.

For a complete report, keep reading.

BUDGET

The Governor signed the **OPERATING, CAPITAL AND TRANSPORTATION BUDGETS** this week. His action created a \$52.4 billion 2019-21 operating budget that funds mental health, prisons and school pensions, benefits, and programs as well as natural resource and social service programs. The state's strong economy has increased revenue projections to support a \$50.6 billion budget, but lawmakers argued that billions of dollars of unmet need related to K-12 education, higher education, mental health facilities, and wildfire suppression necessitate the higher figure. To support this, a new \$803 million tax package was passed in the final moments of the 105-day session. contribution limits to all port commission races, was signed by the Governor this week and will be in force during the next election cycle.

ENVIRONMENT

DAM BREACHING STUDY. Governor Inslee signed the 2019-2021 Operating Budget without vetoing the \$750K budget proviso to create a process to address the effects of breaching Snake River dams. The Potato Commission is organizing a tour of dams on the lower Snake River this summer to expose west side legislators to these facilities.

REFORMING THE FINANCIAL STRUCTURE OF THE MODEL TOXICS CONTROL PROGRAM. ESB (Engrossed Senate Bill) **5993** – The governor signed this significant reform of the Model Toxics Control Act.

The bill:

- 1) stabilizes revenue by shifting from a price based tax to a volume based tax;
 - 2) includes an inflation adjustment to hold the buying power of collections remains stable over time;
 - 3) allocates approximately \$100 million for capital appropriations, including remedial action grants.
- Unfortunately, the bill also includes an effectively permanent transfer of \$50 million to pay for state transportation stormwater costs.

BUDGET PROVISIO – ESTABLISHING A WORKGROUP TO RECOMMEND A FRAMEWORK FOR EVALUATING GREENHOUSE GAS EMISSIONS UNDER CHAPTER 43.21C RCW. The proviso was not included in the Operating Budget signed by the Governor. WPPA is consulting with the Department of Ecology, the Governor's Office and other stakeholders about next steps.



WASHINGTON PUBLIC PORTS ASSOCIATION

FINAL LEGISLATIVE REPORT

MAY 24, 2019

DREDGED MATERIALS. HB 1480 – The bill was signed into law by Governor Inslee. As a result, the state's regulation of dredged materials has been streamlined.

CONCERNING THE PROTECTION OF SOUTHERN RESIDENT KILLER WHALES (SRKWs) FROM VESSELS. SSSB (Second Substitute Senate Bill) **5577** – The Governor signed this bill into law.

REDUCING THREATS TO SOUTHERN RESIDENT KILLER WHALES BY IMPROVING THE SAFETY OF OIL TRANSPORTATION. ESHB (Engrossed Substitute House Bill) **1578** – In part to prevent freeriding of Canadian vessels from paying a share of the cost of a rescue tug in the San Juan Islands, and in part to reflect the near zero oil spill risk from cargo vessels, WPPA successfully eliminated new fees on non-oil bearing transits. The Governor has signed this bill into law.

Implementing recommendations of the southern resident killer whale task force related to increasing chinook abundance. **Second Substitute House Bill 1579** – The bill updated provisions related to the Hydraulic Permit Approvals issued by the Department of Fish and Wildlife. WPPA intervened to require civil penalties and stop work orders to be issued by senior management. This step protects projects from ill-considered actions taken by junior field staff. The Governor signed the bill into law.

AVIATION

It was a busy legislative session for aviation interests, with several key initiatives getting signed into law. A bill creating the **COMMERCIAL AVIATION COORDINATING COMMISSION** passed and was signed by the Governor. **SB 5370** stands up a commission with the sole purpose to evaluate and select the site for future commercial air service growth in the Puget Sound Region.

The Commission is made up of 15 voting members, including WPPA. WPPA worked closely with the prime sponsor, Senator Keiser and assisted in drafting many of the sideboards found in the legislation.

The **COMMUNITY AVIATION REVITALIZATION LOAN PROGRAM** was established in the capital budget and retained its existing \$5 million appropriation. The program is designed to provide funding for revenue-generating projects at airports that do not qualify for typical state or federal **AIRPORT IMPROVEMENT PROGRAM (AIP)** funding. The Program also establishes a board similar to that of CERB or FMSIB, which will evaluate and select projects to be funded. WPPA has a board position – WSDOT has selected Jeff Bishop, Port of Moses Lake, to fill for the initial term.

SESSION CUT-OFF DATES

JANUARY 14

First Day of Session

FEBRUARY 22

Policy Committee Cutoff –
House of Origin

MARCH 1

Fiscal Committee Cutoff –
House of Origin

MARCH 13

House of Origin Cutoff

APRIL 3

Policy Committee Cutoff –
Opposite House

APRIL 9

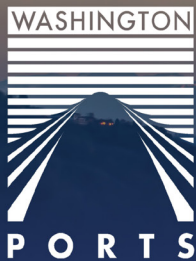
Fiscal Committee Cutoff –
Opposite House

APRIL 17

Opposite House Cutoff

APRIL 28

Last Day Allowed for
Regular Session



WASHINGTON PUBLIC PORTS ASSOCIATION

FINAL LEGISLATIVE REPORT

MAY 24, 2019

An effort to plug up state matching funding for federal AIP grants fell short this session. Interim work will focus on identifying ways to move Washington State from near the bottom nationally in airport infrastructure spending.

PUBLIC WORKS

With the passage of **HB 1295**, all local governments including port districts will have meaningful new alternative procurement tools available to use for infrastructure projects. The bill, which enables the use of both Job Order Contracting and Design Build, was developed and worked for several years by the **CAPITAL PROJECTS ADVISORY REVIEW BOARD (CPARB)**. WPPA would like to thank Bob Maruska with the Port of Seattle for his service on CPARB and his work on creating this important legislation. In preparation for his retirement, Bob will be stepping off the Board this summer. WPPA wishes him well in his retirement.

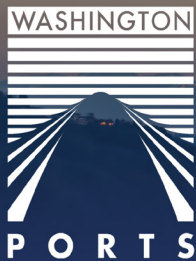
TRANSPORTATION

CURRENT LAW TRANSPORTATION BUDGETS - The biennial Transportation Budget passed provided little in the way of new projects as the state contemplates several big-ticket items that will require near-term funding consideration. With existing revenues focused on projects in the Connecting Washington package, little in the way of new revenue sources were contemplated (with the exception of Forward Washington). New money did come from an increase in the Hazardous Substance Tax which dedicated \$50 million for stormwater costs. The state has a significant fish passage barrier removal obligation (\$4 billion, for just the state portion over the next ten years) and was able to cobble together \$100 million for culvert replacements.

Some of this funding came at the expense of freight projects. FMSIB lost \$15 million in funding, which was not reappropriated. WPPA will work in the interim to increase communications around the importance of this program to ports across the state. Another important project received a boost in the budget as WSDOT received funding allowing it to restart the I-5 Bridge Office. This is an important step forward as it not only forestalls repayment of federal money previously spent on this incomplete project but also allows project planning to again commence.

LOW CARBON FUEL STANDARD (LCFS) - At the request of the Governor, the legislature contemplated an LCFS program during this past session but legislation ultimately did not pass. The legislation was designed to reduce transportation greenhouse gas (GHG) emissions by 20% by 2035. While WPPA didn't take a formal position on this legislation, we did have concerns about its impact on future transportation funding. Environmental impacts of transportation was a big topic of discussion in Olympia this year. Expect this legislation to be return next session for continued debate.

FORWARD WASHINGTON. Senator Hobbs advanced discussion on a new transportation revenue package during this legislative session. Forward Washington was a \$17 billion, 10-year proposal that would not only provide funding to big-ticket projects but also would have added money to many important transportation programs important to ports, including the creation of a \$100 million port grant program. The revenue contemplated for the package would have come from a host of new fees, including a controversial fee placed on carbon (\$15/metric ton) as well as a six cent per gallon increase in the state gas tax. WPPA had worked with the Senator prior to the session to make sure port priorities were included and while it did not pass, the conversation was positive and there was nearly unanimous agreement on needs across the state. WPPA will contin-



WASHINGTON PUBLIC PORTS ASSOCIATION

FINAL LEGISLATIVE REPORT

MAY 24, 2019

ue to work with Senator Hobbs and others to advance future transportation funding opportunities.

GATEWAY PROGRAM ACCELERATION & TOLLING. With the passage of **SB 5825**, the Washington State Legislature authorized tolling and advanced an important port project late in session. Tolling will be expanded along 405 and SR 167 and the Gateway Program (completion of SR 509 & SR 167) was accelerated and will be finished three years earlier. The Gateway Program acceleration was strongly supported by WPPA and much effort went into making sure this project was added in the final days of this session.