



WASHINGTON PUBLIC PORTS ASSOCIATION LEGISLATIVE REPORT

WEEK OF MARCH 4-8, 2019

INTRODUCTION

We've now reached the halfway point of the 2019 Legislative Session. It has been a week of long days on the floor, as lawmakers are approaching the deadline for bills to be voted out of their initial chamber. Legislators worked well into the evening several days this week, and are also expected to work tonight and Saturday, as well. Your staff has been busy working to move measures along, or to amend the ones that we have concerns with.

Overall, it has been a good week. Nearly all of the bills that we support have either passed their chambers already, or are poised for a vote on the floor. Next Wednesday the 13th is the deadline for non-budget bills to advance.

The Economic and Revenue Forecast Council – which forecasts the revenues that are used to build the budgets – met yesterday to preview their predictions. Overall the state's economy is slowing, though it is still outperforming the national numbers. The official revenue forecast, which is the starting pistol for the budget process, is released in ten days.

GOVERNANCE AND ELECTIONS

CAMPAIGN CONTRIBUTION LIMITS. HB 1375 would extend campaign contribution limits to all port races. The Senate version did not advance, but the House version was voted out of the chamber 98-0 and sent to the Senate State Government, Tribal Relations & Elections Committee.

ECONOMIC DEVELOPMENT

PORT DISTRICT WORKER DEVELOPMENT AND OCCUPATIONAL TRAINING PROGRAMS. SB 5570, which provides clarity to ports' authority to engage private and public entities for occupational training, has passed out of the Senate Committee on Higher Education & Workforce Development to the Rules Committee with a 'Do Pass' recommendation. The companion to this WPPA supported bill (HB 1568) passed the house and is scheduled for public hearing in the Senate Committee on Higher Education & Workforce Development on March 14.

LOCAL REVITALIZATION FINANCING. SB 5564 known as the Building Business Ecosystems Act, was amended and moved out of the Senate Financial Institutions, Economic Development & Trade now sits in the Senate Ways & Means Committee. Unless SB 5564 is declared necessary to implement the budget (NTIB) it will no longer advance in this session. The bill reintroduces an infrastructure financing tool employed widely across America and recently used in this state. The program allows for the retention of local sales, use and property taxes to fund public infrastructure development within predetermined revitalization zones.



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BROADBAND INFRASTRUCTURE POLICY. HB 1498 and **SB 5511**, governor request bills, create a broadband office focused on facilitating state policy on broadband deployment and designate a grant and loan program within the Public Works Board designed to improve internet access throughout the state.

The Senate version passed on a vote of 47-0 and the house bills is awaiting action on the floor calendar. Another broadband bill, **HB 1606**, failed to advance out of the House Capital Budget Committee. **HB 1606** would have authorized, in statute, the Community Economic Revitalization Board to make broadband loans and grants to finance infrastructure for high-speed, open-access broadband service.

LABOR

EMPLOYEE/ EMPLOYER RELATIONSHIP. HB 1515 originally created a uniform definition of 'employee' under industrial insurance, prevailing wage, wage deduction, wage payment, minimum wage, and unemployment compensation laws. A Senate bill companion bill on this topic failed to pass policy committee cutoff and the House bill, now sitting in Rules, has been amended to create a study group to examine the implications of this significant policy proposal. We are tracking this bill with transportation companies and others involved in our supply chains.

PREVAILING WAGE CALCULATION. Legislation passed last session created significant changes to mechanisms used to set prevailing wages for public works, causing substantial cost increases and prompting public agencies, labor, affordable housing advocates and contractors to attempt a remedy.

So far, these efforts have produced a lawsuit from the Associated General Contractors seeking an injunction against implementation of the new law and a set of narrowly focused companion bills, **SB 5766** and **HB 1743**. These bills address a small set of job classes and fail to create a broad fix to a system that impacts a wide variety of work performed on projects. The House bill has passed unanimously and the Senate bill is awaiting action in the Senate Rules Committee.

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



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ENVIRONMENT

BUDGET PROVISIO – ESTABLISHING A WORKGROUP TO RECOMMEND A FRAMEWORK FOR EVALUATING GREENHOUSE GAS EMISSIONS UNDER CHAPTER 43.21C RCW. WPPA has reached an agreement in principle with the Department of Ecology on a budget provision creating a workgroup process and requiring a report to the legislature. Work continues with other interested parties.

STREAMLINING THE PERMITTING PROCESS FOR DISPOSING OF DREDGED MATERIALS. HB 1480 amends RCW 90.58.140 (Shoreline Management Act) eliminating the requirement for a substantial development permit to dispose of dredged materials at sites approved by the Puget Sound Dredged Disposal Analysis Program. The bill passed the House on a 97-0 vote and has been referred to the Environment, Energy and Technology Committee in the Senate. WPPA supports the bill.

IMPLEMENTING RECOMMENDATIONS OF THE SOUTHERN RESIDENT KILLER WHALE TASK FORCE RELATED TO INCREASING HABITAT AND FORAGE FISH ABUNDANCE. 2SHB 1579 primarily addresses hydraulic permitting authorities. To reduce the risk of arbitrary or capricious actions taken by junior staff, WPPA negotiated an agreement requiring stop work orders and civil penalties to be issued only by senior agency management. The bill was modified to address WPPA concerns. The House approved the bill on a 59-39 vote. WPPA has taken no position on the bill as a whole.

CONCERNING THE PROTECTION OF SOUTHERN RESIDENT KILLER WHALES (SRKWS) FROM VESSELS. 2SHB 1580/2SSB 5577 – the bills have been modified in committee to address stakeholder concerns. In particular, the buffer for all vessels is increased from 200 to 300 yards. Provisions related to a temporary ban on watching SRKWs has been deleted and replaced with direction to the Department of Fish and Wildlife to adopt protective rules based on best available science. Both bills include authority for the Department of Fish and Wildlife to create non-exclusive whale watching licenses. The Senate bill passed on a 45-3 vote and the House advanced its version 78-20. WPPA has not taken a position on the bill.

REDUCING THREATS TO SOUTHERN RESIDENT KILLER WHALES BY IMPROVING THE SAFETY OF OIL TRANSPORTATION. ESHB 1578 – Working with other interests, WPPA persuaded House members to remove from the bill rulemaking authority that would allow Ecology to require a dedicated rescue tug adjacent to the San Juan Islands. Ports were concerned about the negative competitive consequences paying for a rescue tug borne solely by the U.S. side. Following amendment, the bill passed the House on a 70-28 vote. WPPA has taken no position on the remainder of the bill.



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IMPLEMENTING A GREENHOUSE GAS CAP AND TRADE PROGRAM. SB 5981 was introduced in the Senate this week and referred to the Environment, Energy and Technology Committee. Cap and Trade programs are revenue producing through an auction of carbon credits. The Senate Transportation Committee has incorporated a carbon tax into a proposed package of new projects, potentially setting up a debate over greenhouse gas regulation and revenue policies. WPPA will monitor the bill for the balance of the session.

AVIATION

AVIATION LEGISLATION. Bills creating the Community Aviation Revitalization Loan Program are both on their respective floor calendars awaiting a vote. While slightly different, WPPA supports both **HB 1456** and **SB 5011**. WPPA was successful in having the sponsor of **HB 1456** author an amendment allowing airports up to 75,000 enplanements to be eligible for the program. This program already has \$5 million earmarked for it from the current Capital Budget.

SB 5370 which would create the Commercial Aviation Coordinating Commission is on the Senate floor calendar while it's House counterpart, **HB 1683** remains in the Rules Committee. Following committee amendments, WPPA prefers **SB 5370**. Finally, **HB 1457** is also on the House floor calendar. WPPA strongly supports this bill. **HB 1457** would reallocate one percent of the aviation fuel tax to aviation infrastructure projects across the state. It is designed to ensure Washington state secures its full allotment of federal aviation funding.

PUBLIC WORKS

PUBLIC WORKS CONTRACTING. HB1295/SB 5656/HB 1359/SB 5418 - Bills that would authorize the use of both Job Order Contracting and Design Build are advancing. **HB 1295** is on the floor calendar while **SB 5656** is in the Senate Rules Committee. **HB 1359** is also on the floor awaiting a vote. This bill would expand the use of Small Works and Limited Small Works authority for port districts by increasing the allowable project costs. Its Senate counterpart, **SB 5418** passed the Senate this morning.

TRANSPORTATION

FORWARD WASHINGTON. SB 5970/SB 5971/SB 5972 - Senator Hobbs' passed his new revenue transportation package, Forward Washington out of committee this week on a mixed vote. Forward Washington (**SB 5970/SB 5971/SB 5972**) is a \$17 billion, 10-year proposal that would not only provide funding to big ticket projects but also adds money to many important transportation programs important to ports, including the creation of a \$100 million port grant program. The revenue for this new package comes from a new and controversial fee placed on carbon (\$15/metric ton) as well as six cent per gallon increase in the state gas tax.



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The bill also creates development impact fees on new development across the state and an assortment of other smaller tax increases. In addition to an increase of \$1 billion for highway maintenance, Forward Washington provides substantial funding for fish passage barrier removal, important construction projects such as the I-5 bridge over the Columbia, Hood River Bridge, US 2 trestle, the Apple Capital Loop in Wenatchee, completion of US 12 four-lane project in Walla Walla County and completion of SR 18 in rural King County. For more details about Forward Washington, including detailed project lists and summary documents go [here](#).

LOW CARBON FUEL STANDARD (LCFS). HB 1110, the House version of the Governor's LCFS bill remained in the House Rules Committee. The bill proposes giving the Department of Ecology authority to implement an LCFS designed to reduce transportation greenhouse gas (GHG) emissions by 20% by 2035. This bill is one of several bills that are at the center of the Democrat's environmental agenda this session.

The bill is fashioned after programs currently being implemented in both Oregon and California. In Washington, over forty percent of greenhouse gas emissions come from transportation. Proponents of the LCFS have testified that passage of this bill would increase production of less carbon-intensive fuels in the state leading to job growth. Opponents have focused on increasing costs caused by an LCFS, particularly those being seen in California, where costs have increased between \$.10 and \$.12 and are projected to triple by 2030, when the program is fully implemented. WPPA has concerns about the impact LCFS could have on the ability to fund new transportation Infrastructure in the future. The Senate version, **SB 5412**, will not advance.

RAIL-RELATED LEGISLATION. WPPA has concerns about two of the three Rail Labor bills moving in Olympia this session. **HB 1841** requires a mandatory minimum train crew size of two. This expands up to four crew members for certain higher hazardous trains. **HB 1843** would establish new rules related to leave for railroad workers. A third bill, **HB 1842** establishes labor specifications, including maximum hours of service for the railroad job classification known as a yardmaster is less of an impact to shortline operators. WPPA has concerns with **HB 1841** and **HB 1843** because they do not exempt short line rail operators (Class 3 carriers) from the requirement of bills.

Most port-owned and/or operated rail operations would be significantly impacted both operationally and from an oversight and reporting aspect. The focus currently appears to be on advancing **HB 1841** which is on the House floor calendar. **HB 1842** and **HB 1843** remain in the Rules Committee.