



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 9a

**BRIEFING ITEM**

**Date of Meeting** May 8, 2018

**DATE:** April 30, 2018  
**TO:** Steve Metruck, Executive Director  
**FROM:** Eric ffitich, Manager, State Government Relations  
Pearse Edwards, Director, Government Relations  
**SUBJECT:** State Legislative End of Session Report

**EXECUTIVE SUMMARY**

The purpose of this briefing is to provide the Port of Seattle Commission, Executive Director, and Leadership Team with a final report on the 2018 State Legislative Session, with specific attention given to the Port’s 2018 State Legislative Agenda. That agenda was adopted by the Commission by unanimous vote on October 24, 2017.

On March 8, 2018, the state legislature adjourned sine die, marking the first time in five years they completed their business without requiring additional, “special,” legislative sessions. The legislature passed three supplemental budgets – operating, capital, and transportation – and advanced priority issues for the Democratic caucus, in charge of both chambers for the first time since 2012. Those issues included access to voting rights, net neutrality, a one-time statewide property tax cut, and education funding to finally resolve the McCleary decision. Senate Democrats sought passage of a carbon tax, in partnership with Governor Inslee. That proposal stalled, as did the Low Carbon Fuel Standard proposal in the House.

The Port’s priorities met with varying success, as some advanced and some did not. The transportation budget included funding for the State Route 518 corridor study, and a bill to establish a statewide tourism marketing program passed in the seventh year of trying. But the Port’s priority bill relating to workforce training programs, and legislation to provide tax relief for the in-state construction of fishing vessels, both failed to advance.

Additional information on the Port’s priority issues, along with a rundown of other issues which we tracked and were engaged on, is included in this briefing.

**Priority Legislative Agenda Items**

The four items below were designated in the 2018 legislative agenda document as the Port’s top priorities for passage in Olympia. As staff has communicated to the Commission and executive team throughout the agenda drafting process, they do not wholly encompass those

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areas in which we are active or have interest. The section below provides updates on some additional items on which the Port advocated during the 2018 legislative session.

*State Route 518 study*—With the growth of Seattle-Tacoma International Airport, and the demand for its services across the region and the state, the transportation corridor leading from Interstate 5 to the airport has become increasingly strained. For that reason, the Port’s 2018 legislative agenda sought funding through the supplemental transportation budget for a study of corridor congestion issues on SR 518. The final transportation budget included \$500,000 in funding for that study. The study findings are due to the legislature on June 30, 2019.

*Statewide tourism marketing program* – After an effort that spanned several sessions, the legislature in 2018 voted to enact 4SBB 5251. That bill calls for the enactment of a statewide tourism promotion program. This has long stood as a priority for the Port, and in the 2017 session Ron Peck provided multiple rounds of testimony in support of the legislation. This session, testimony was provided by Eastern Washington interests, in an effort to make the point to lawmakers that this new marketing program would not be specific to Seattle. The Governor signed the legislation into law on March 27, 2018, and it will officially take effect on July 1, 2018.

*Workforce training legislation* – For the third session running, Rep. Gael Tarleton (D-36th LD, Ballard, parts of Downtown) sponsored legislation to clarify the authority of port districts to engage in worker training programs for port-related tenants. This has been a priority for the Port of Seattle since 2016, and staff worked with stakeholders in the summer of 2017 to come to consensus on bill changes to assure the support of the Port of Tacoma, the Ports Association, the labor unions representing port workers, and the business community.

With that list of diverse stakeholders, the bill sped through its House Committee and received a perfect 98-0 vote on the House floor. From there, it went to the Senate Higher Education and Workforce Development Committee. Port workforce lead Marie Kurose traveled to Olympia to testify, and on the strength of her testimony the bill passed that committee unanimously. Unfortunately, on Friday, March 2nd, Port staff learned that the bill would not advance beyond the Senate Rules Committee to the floor calendar, and was therefore “dead” for the session.

*Fishing fleet modernization* – This was the third session in which the Port supported Representative Tarleton’s efforts to enact a tax preference for the in-state construction of fishing and seafood processing vessels. It’s been a priority for the Washington Maritime Federation as well, and this session it looked set to finally pass. With a 97-1 vote in the House, and language in the final budget deal to fund implementation tax reduction, Senate passed was expected on the final day of session. However, staff learned on the morning of Thursday, March 8th, that a disagreement on tax policy broadly would mean the legislation could not advance to the Senate floor.

In order to remain active next session, Rep. Tarleton will have to reintroduce. Staff intends to work with her on this effort in the interim, in hopes of finalizing this long process in the 2019 session.

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**Additional items that advanced:**

The following items were determined to be consistent with the Port's stated interest in the 2018 legislative agenda, and in some cases staff was active in supporting them during the 2018 session.

*Sustainable Aviation Biofuels work group:* Sen. Billig (D-1st LD, Spokane) introduced a bill to reestablish a work group on aviation biofuels that has been dormant since 2017. The Port of Seattle supported that effort, including in testimony to the Senate Energy, Environment, and Telecommunications Committee and to the House Technology and Economic Development Committee, and the bill passed the Senate unanimously. The House did not have time to schedule it for a floor vote, so instead it lived on as a budget proviso. The final compromise operating budget included language reestablishing this work group, and WSU will be in contact with the Port in coming months about the first meeting of the group.

*Unit price contracting for port districts:* The Port of Seattle, Port of Tacoma, and Washington Public Ports Association supported legislation (ESSB 6329) that would clarify that ports have the authority to use "unit priced contracting" methods. Bob Maruska, a senior engineer at the Port, testified in support of this legislation. It passed both chambers before adjournment, and awaits the Governor's signature.

*SB 6207, NWSA's clean truck authority:* This bill, "clarifying the authority of port districts to offer programs relating to air quality improvement equipment and fuel programs that provide emission reductions for engines, vehicles, and vessels" passed and was signed into law by the Governor. It will allow NWSA to move forward with its plans to help truck drivers upgrade their vehicles. Port of Seattle signed in as supportive during committee consideration of the bill.

*Harbor Maintenance Tax resolution:* Another NWSA priority, this piece of policy is a bit different from standard legislation. Without force of law, passage of this resolution put the legislature on record as demanding that the U.S. Congress develop a policy to reform the Harbor Maintenance Tax to address its impact on the competitiveness of Washington state ports. Cmr. Calkins testified in support of the bill early in session when it was considered by the House Technology and Economic Development Committee. It was signed by Secretary of State Kim Wyman on Wednesday, March 7th, and her office will transmit it to Washington, D.C.

*Broadband authority for port districts:* 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. Upon receiving his signature, every port district in the state was officially granted the authority to develop "un-lit" broadband infrastructure.

**Items of interest that did not advance**

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*Low carbon fuels standard:* Another priority of the Governor, and a progressive environmental policy proposal that the Port of Seattle supported this session, Rep. Fitzgibbon’s bill to establish a Low Carbon Fuels Standard in Washington state died after it passed the House Transportation Committee on a party line vote. The Port provided testimony at the House Environment Committee in support of the proposal, and will work with the legislative sponsor and advocates in the interim on a strategy for the 2018 session. This will almost certainly be a priority for the Democrats should they keep control of the House and Senate going into the 2019 state legislative session.

*Carbon tax:* Where many thought that the Governor and Senate Democrats would advance a carbon pricing proposal in the 2018 session, SB 6203 – the Governor Inslee/Senator Carlyle proposal – did not make it beyond the Committee process in the Senate and died without a floor vote. The bill did pass the Senate Ways and Means Committee and the Senate Energy, Environment, and Technology Committee, and Port Commission President Gregoire sent a letter to Governor Inslee and Senator Carlyle confirming the Port’s support for the proposal. With the failure to advance through the Senate, It is now expected to be the subject of an initiative to the voters this fall.

*Initiative 200:* For the third session running, the Commission directed staff to actively support legislation that would repeal Initiative 200. This law, put in place by an initiative vote in 1998, and prevents the state or public agencies from granting preference in public contracting, employment, or education based on the race, sex, color, ethnicity, or national origin of the applicant or contractor. Commissioner Bowman testified in support of legislation (SB 6406) to repeal this law, which passed its committee of origin in the Senate on a party-line vote. It was sent to the Senate Rules Committee, but never scheduled for a vote on the Senate floor.

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- October 24, 2017 – The Commission approved the 2018 State Legislative Agenda
- October 10, 2017 – The Commission was briefed on the 2018 State Legislative Agenda
- May 9, 2017 – The Commission was briefed on the End of 2017 Regular Legislative Session