INTRODUCTION

The 2020 legislative session began on Monday. This is a short, supplemental budget year, and scheduled to end on March 12th after just 60 days. Democrats are exercising strengthened majorities from the 2018 elections, and this week’s introductions were full of bills relating to climate, revenue, mental health, and other Democratic priorities. If the pace of the first week is an indication of what is to come, this short session will be active.

Committee chairs wasted no time in scheduling and hearing significant bills. For the first time in modern history, the Senate Rules Committee met on day one to pull bills to the floor, and both chambers engaged in floor action to advance bills heard in the 2019 session. Democrats, including the Governor, indicate priorities this year will include action on transportation, climate change, and addressing homelessness.

For your WPPA lobbyists, it was a very busy week. Committee hearings and work sessions on carbon, transportation, and budgets all occurred. Next week there are several hearings and briefings on bills and issues affecting ports.

For a complete report, keep reading.

GOVERNANCE & ELECTIONS

SPECIAL PURPOSE DISTRICTS: Attention will be paid to the function of special purpose districts this legislative session. There was a hearing in Senate Local Government Committee on SB 6324, addressing small special purpose districts not filing a mandatory annual financial report to the State Auditor. The bill specifies that after three years, those entities would be considered “unauditable” and public funds would be withheld until full compliance is achieved. Currently, no ports are on the list of entities out of compliance.

On January 21, the House Local Government Committee will hear HB 2588, a similar bill except that special purpose districts will be deemed out of compliance after just one year, and public funds will be withheld. In addition, this bill has requirements regarding posting annual reports, agendas, and other documents on agency websites. These timelines will be difficult for the smallest ports and other special purpose districts, and WPPA staff will convey these concerns to the prime sponsor and at the hearing.

COMMISSIONER COMPENSATION: SB 6046 was heard on January 14th in the Senate Local Government Committee. This bill would move the date of commissioner compensation changes from July until January, allowing special purpose districts to plan for future compensation adjustments in their annual budgets rather than the middle of the budget year. WPPA signed in support.

PUBLIC RECORDS: The Legislature is now subject to the PUBLIC RECORDS ACT (PRA), and this is the first legislative session they will implement PRA compliance. One of the first impacts we’ve noticed is that several legislative offices are opting not to take paper material from lobbyists and other interest groups. This affects the way WPPA conveys information to legislators, and we are working on how best to adjust to this new reality.
Last week, HB 1888 was heard in the House State Government Committee. It would exempt from disclosure certain information about state and local public employees and volunteers, such as date of birth and information about dependents. The bill would also require governmental entities to notify employees when a public records request is made for records containing personal information. There were many speakers on this bill and lots of differing opinions. It is unclear if this bill will get amended, move forward, or die in committee.

**ECONOMIC DEVELOPMENT**

**TAX INCENTIVE FINANCING:** WPPA is working with the Association of Washington Cities to gather support for a bill reinstating the COMMUNITY REDEVELOPMENT FINANCING ACT (OR TIF), which will allow cities, counties, and ports to form apportionment districts for funding infrastructure projects by capturing future increased property values.

This economic development tool was deemed unconstitutional in years past, so this proposal would include a companion Joint Resolution that, if approved by voters at the next general election, would ratify this funding option.

Forty-nine other states utilize tax increment financing tools, and ports, cities, and counties are seeking the same authority. Currently, the proponents are gathering bill sponsors and will submit the bill in the next few days to begin legislative review.

**COMMUNITY ECONOMIC REVITALIZATION BOARD (CERB):** On January 23, the Senate Financial Institutions & Economic Development Committee will hold a work session on CERB. They are seeking an update on board activities.

**AVIATION**

**AVIATION LEGISLATION:** Three bills addressing aviation funding are returning from last session. Both HB 1456 and SB 5011 would make permanent the COMMUNITY AVIATION REVITALIZATION BOARD, a program established last session – but by way of the Capital Budget, meaning it survives only until the end of the current biennium in June 2021.

In addition, WPPA’s top aviation priority for this session is HB 1457, which would reallocate 1% of the aviation fuel tax to be spent on airport infrastructure through larger and more awards through the Airport Grants Program. All three bills are in their respective chambers’ Rules Committee.

**2020 SESSION CUT-OFF DATES**

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<td>JANUARY 13</td>
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<td>FEBRUARY 7</td>
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<td>MARCH 6</td>
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<tr>
<td>MARCH 12</td>
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FLUORINATED FIREFIGHTING FOAM: WPPA testified this week on HB 2265, and we have been working with the bill sponsor to maintain the exemption for the use of fluorinated firefighting foam for use at airports. This foam is currently the only allowable product to be used as prescribed by the FAA. We will testify next week on the Senate Companion (SB 6360) and work with the sponsor to adopt similar changes to the House version.

PUBLIC WORKS

PUBLIC WORKS CONTRACTING: WPPA is watching a couple of public works bills this session. Among several changes addressed in HB 2469, the bill would raise the limit on public works contracts to $500,000.

WPPA is currently not in the bill but will seek to include ourselves during testimony next Thursday in the House Innovation, Technology & Economic Development Committee.

TRANSPORTATION

STATE OF TRANSPORTATION: Secretary of Transportation Roger Millar addressed both Transportation Committees with his speech on the STATE OF TRANSPORTATION. In addition to addressing ongoing challenges faced with the passage of I-976, the Secretary highlighted both successes and challenges WSDOT has faced during the past year.

The Secretary detailed a self-described portrayal of “stark realities” that the current and long-term under-funding of transportation presents to the department. Preservation was acutely highlighted with the Secretary noting the department has 1600 lane miles of pavement rated in poor condition, but funding to pave only 750 miles per year. Each mode managed by WSDOT has similar challenges.

Watch the Secretary’s presentation to the Senate Transportation Committee here.

CURRENT LAW TRANSPORTATION BUDGETS: The Office of Financial Management presented on the GOVERNOR’S SUPPLEMENTAL TRANSPORTATION BUDGET to both Transportation Committees this week. The proposal fully addresses the funding shortfall brought on by the passage of I-976 by presenting some priorities identified by the Governor when he released the budget back in December.

Safety, preservation, and maintenance remain priorities, with those projects largely remaining on schedule. In an effort to provide the Legislature the most flexibility as they produce their own budgets, the Delay List released by Secretary Millar shortly after the passage of I-976 remains intact with many rail and transit projects seeing delays pushed from July 2020 to next biennium (July 2021).

The budget also relies on roughly $110 million in bonding in order to fully balance. In the coming weeks, both the House & Senate will work on their respective budgets. WPPA is generally supportive of the Governor’s approach to meeting the large budget shortfall. We will provide budget writers our thoughts in the coming weeks.

LOW CARBON FUEL STANDARD (LCFS): SB 5412 was heard in the Senate Environment, Energy & Technology Committee yesterday. The bill would establish a Low Carbon Fuel Standard in State. Currently, over 40% of greenhouse gas emissions in Washington result from transportation, and this bill seeks to address that by incentivizing the use of more low carbon or carbon-free energy to transport people and goods in the state. The House has a similar bill (HB 1110), which was amended several times last session.
ENVIRONMENT

GREENHOUSE GAS EMISSIONS / SEPA: Immediately following a Supreme Court decision on January 16th, HB 2427 and SB 6453 were introduced to address issues raised by the Court and related policies. The legislation directs the Department of Ecology to adopt a series of rules affecting the evaluation and regulation of greenhouse gas emissions. It includes a version of the SEPA/GHG rule that WPPA has requested.

The bill is scheduled to be heard in the House Energy and Environment Committee on January 21st. WPPA supports Ecology rule-making to provide SEPA guidance for project proponents. The Association is concerned our members and the public cannot foresee or reasonably understand the consequences of public policies affecting our members’ ability to accomplish their economic development mission. We are concerned that the compressed nature of legislative sessions are not well suited to inclusive, deliberative processes and ask the legislature to convey interested parties to participate in the development of legislation during the interim.

NET ECOLOGICAL GAIN: The intent of HB 2549 is to require development projects to implement mitigation that results in a “net ecological gain.” It requires state environmental agencies to complete rulemaking to conform with this goal. The Office of Financial Management (OFM) is required to report on how to incorporate net ecological gain into state land use, development, and environmental laws and rules, including SMA, GMA, and MTCA.

WPPA believes far-reaching public policies benefit from broad stakeholder engagement in the evaluation and negotiation process. We are concerned that the compressed nature of legislative sessions are not well-suited to inclusive deliberative processes and ask the legislature to convene interested parties to participate in the development of legislation during the interim.

NET ZERO GREENHOUSE GAS EMISSION TIMELINE: HB 2311/SB 6272 increases the pace at which greenhouse gas emission goals are achieved and states that by 2050, the state as a whole must achieve net-zero greenhouse gas emissions. State agencies are required to maximize carbon sequestration in their activities to achieve the greenhouse reduction goals established in law. The bill goes beyond the goals established in the Paris Accords.

WPPA has not taken a position on this legislation. The bill does not immediately affect public port districts, but it does provide a clear statement of legislative intent providing a framework for public policies it considers in the future. The bill was heard in the House Energy and Environment Committee on Tuesday, and is scheduled to be heard in the Senate on January 21st.