

TO: RBAW Board

FROM: Doug Levy – 5/4/2021

RE: Report from State Lobbyist – **APRIL 2021**

Last month may not have brought us the usual “April showers,” but it did bring the end of the 105-day, 2021 Session of the Legislature – one where we had a significant allocation provided for us and partnered successfully to prevent something from being done to us.

The 2021 legislative session was an unprecedented one in many, many ways. Never before, and likely never again, will we experience a Session conducted mostly through virtual means. The Legislature also passed a capital gains tax that will undergo a legal challenge, two landmark bills on carbon reduction, a series of policing reform measures, sea-changing affordable housing legislation, and a paradigm change in how minor drug-possession cases will be handled. It was exhilarating and head-spinning on many levels – including in our arena of recreational boating!

You can read more below about issues from the 2021 Session and a variety of other matters we are working on, but first – a spoiler alert: The thing done for us was a \$1.776 million allocation for Lakebay Marina acquisition and planning that marks a quantum leap forward for this project! The thing that, in the end, was not done to us involved a proposed doubling of the Watercraft Excise Tax that we, the Northwest Marine Trade Association, and all of **you** collectively, headed off.

It all starts here:

- **Lakebay Marina:** When both the Senate and the House unanimously approved the 2021-23 Capital Budget bill (*Substitute House Bill 1080*) during the final weekend of the Session, our \$1.776 million appropriation for Lakebay was pretty well signed, sealed, and delivered! We still need to have Governor Inslee sign the Capital Budget bill into law, and at that time we are working collaboratively with the Department of Natural Resources on a joint press release. The \$1.776 million will enable the RBAW’s 501(c)3 Marine Parks Conservancy to complete the acquisition of Lakebay, to deed it over to DNR, and to begin working with the Agency on a joint planning effort for the future of Lakebay. Wahoo!
- **Proposed Doubling of the Watercraft Excise Tax (SB 5483):** In early April, as Senate Transportation leaders provided the details of their efforts to fund an \$18 billion+ new-revenue package for transportation, we learned that one of the numerous taxes and revenue measures in their bill to do so (**SB 5483**) involved a proposed doubling of the Watercraft Excise Tax, from 0.5 percent of the value of a vessel to 1 percent. That was designed to raise between \$15-\$16 million per year – or some \$254 million over 16 years. We immediately swung into action in opposition, pointing out to legislative leaders that recreational boaters are the only type of water-, land-, or aircraft that pays a percentage-based excise tax to the State of Washington – and noting how unfair it would be to ask recreational boaters to pay twice as much when no other groups were paying this tax at all. We also noted that recreational boaters would already be paying additional fuel tax contemplated in the revenue bill, and that a recent report done by

the Joint Legislative Audit & Review Committee (JLARC) showed recreational boaters pay about \$17 million more in taxes to the State of Washington than they get back in services. Our President Bob Wise and Northwest Marine Trade Association CEO George Harris each testified twice against the Watercraft Excise Tax proposal – but one of the real difference-makers was a Voter Voice “Action Alert” we triggered with all of **you**. Ultimately, 5,528 boaters sent some 17,472 messages of opposition to lawmakers throughout the state! Six days after the bill proposing the doubling of the Watercraft Excise Tax, Senate Transportation Committee Members unanimously approved an amendment removing it! Big thanks go to all the recreational boaters around the state, to Bob Wise and Andrea Pierantozzi of our Board for their work, to George Harris and Peter Schrappen of NMTA, and to the key legislators who worked with us on the Amendment: Senate Transportation Chair Steve Hobbs (D-Lake Stevens/44<sup>th</sup> Dist.), Ranking Member Curtis King (R-Yakima/14<sup>th</sup> Dist.), Vice-Chair Rebecca Saldana (D-Seattle/37<sup>th</sup> Dist.), and Sen. Liz Lovelett (D-Anacortes/40<sup>th</sup> Dist.).

- **2021-23 Capital and Operating Budgets:** The two-year Capital (**SHB 1080**) and Operating (**Engrossed Substitute Senate Bill 5092**) budgets approved by the Legislature total \$6.3 billion and \$58.9 billion, respectively, so forgive me for not giving you all the gory details of each 😊 But, here’s quick synopsis I did of key things in each:

#### Capital Budget

- **Boating Facilities Program** is at \$14.95 million – that easily funds Lakebay. See above.
- **DNR Large Vessel Removal:** \$3 million to address the backlog of large vessels needing to be removed from state waterways. This will not get to many of them but will ensure the *Hero* is removed from the waterways of Pacific County.
- **Boating Infrastructure Grants:** \$2.2 million in federal pass-through funds.
- **Clean Vessel Act Pump-out:** \$2.6 million in federal pass-through funds.
- **Washington Wildlife & Recreation Program (WWRP):** The overall appropriation is \$100 million, which is near record-level. The water-access grants category of projects is \$5.625 million.
- **Aquatic Lands Enhancement Account (ALEA):** The Governor had been at \$9.1 million for this program to fund waterfront access grants. The Senate and House budgets were considerably lower -- \$7.9 million (Senate) and \$6.9 million (House). We did a lot of advocacy around this one. The final budget included \$9.1 million – enough to fund all 18 ALEA projects!
- **Capitol Lake Estuary/Long-Term Management – Dept. of Enterprise Services:** There is \$715,000 allocated for continued work here along with a \$156,000 re-appropriation.

#### Operating Budget

- The Legislature will be approving what is a new record-high allocation level for the **No Child Left Inside (NCLI)** grant program - \$4.5 million. That is three times the current funding level! There are boating and sailing organizations which have received those grants.
- The Washington Department of Fish & Wildlife will receive \$5.125m for **aquatic invasive species prevention work**, which is an exceptionally good outcome for WDFW.
- The budget includes \$4 million in **federal pass-through monies for boating safety**.
- The Department of Natural Resources (DNR) will receive **\$250,000 for its derelict vessel removal program recycling** and vessel registration enforcement work.

- The Recreation and Conservation Office gets **\$324,000** in connection with the Invasive Species Council and the continuation of it as authorized **under SB 5063 passed by the Legislature**.
- The final budget reflects and **accounts for the passage of HB 1107, the bill promoted by our colleagues at NMTA regarding state allowance for chartered and skippered vessels to stay longer** in Washington State waters.

A few other legislative items worth noting:

- **SHB 1107, expanding certain nonresident vessel permit provisions:** This bill led by our colleagues at NMTA passed the Legislature, has been signed into law by the Governor, and takes effect July 25. **1107** would make it easier for large vessels that are chartered or skippered to obtain non-resident vessel permits. It also increases the length of vessels that can secure these permits – from a maximum of 164 feet to a maximum of 200 feet.
- **ESB 5330 – Commercial Whale Watching Licenses:** As a show of support to Pacific Whale-Watching operators, RBAW and NMTA had testified on behalf of this bill sponsored by Senate Agriculture, Water, Natural Resources and Parks Chair Kevin Van De Wege (D-Sequim/24<sup>th</sup> Dist.). The bill would have restructured a recently adopted rulemaking by the Washington Department of Fish & Wildlife (WDFW) that, in our view, unfairly restricted the ability of commercial whale-watching operators to safely view Southern Resident Killer Whales (Orcas). **5330** was pared back considerably, but a version passed the Legislature and awaits the Governor’s signature. The final bill waives license and application fees for commercial whale-watching operators for 2021-22. It also stipulates that residency and business requirements do not apply to Canadian individuals or corporations applying for and holding commercial whale watching licenses.
- **ESSB 5251, modifying tax and revenue laws – a nice win for RBAW and NMTA:** This was a very technical bill designed to codify in state statute a series of changes to tax administration laws. However, buried in Sec. 14 was a provision noting that for purposes of use tax (sales tax) on vessels brought into Washington State, local tax on “place of first use” would be calculated not based on where the vessels entered the state but rather “where the property is primarily hangered, moored, garaged, or otherwise kept.” This had the potential to add about \$18,000 of additional tax to a vessel valued at \$1 million, and to shift that local tax from places like San Juan County to King County. We reached out to San Juan County officials, who then worked with Sen. Liz Lovelett (D-Anacortes/40<sup>th</sup> Dist.). to remove this provision from the final bill. Woo!

Other Issues we are working on:

- **Montlake Bridge repair (Aug. 9-Sept. 3):** In short, the Washington State Department of Transportation is working with us to ensure that throughout their August and early September repair of the Montlake Bridge, at least one “leaf” of the bridge will remain open to allow tall vessels and sailboats through the Montlake Cut. We are also working with WSDOT on an informational flyer and several other education and awareness matters.
- **Boating Safety, Part I – Safety “Summit” convened April 21 by State Boating Laws Administrator:** Washington State Parks’ Boating Law Administrator Rob Sendak held a human-

powered-vessel/boating safety “Summit” on April 21. There were more than 80 people in attendance via Zoom – including RBAW Past President Wayne Gilham, current Treasurer Loyd Walker, and Board Member Seth Muir. There were speakers on both sides of the idea of broadly mandating Personal Flotation Devices (PFDs) to enhance safety on the water for the likes of kayakers, stand-up paddleboarders, etc. Rob Sendak showed results of a State Parks poll where it was about 70 percent *against* an across-the-board PFD mandate. I have asked that we spend a good chunk of time discussing this issue at our May Board meeting. In doing so, I am including a prior legislative/regulatory policy approved by the RBAW Board, which reads as follows: “RBAW supports the mandatory boater education program in Washington State. RBAW will advocate and be involved in any proposals to improve the current boater education program and RBAW will oppose any effort that detracts from the current system.”

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**Boating Safety, Part II –National Boating Safety Week Coming up May 21-28:** I appreciate that messaging has been sent out on National Boating Safety Week. It is in our interest to spread the word on how people can enjoy our waterways safely and free of accidents or incidents. See links below for National Boating Safety Week promo material.

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[Safe Boating Campaign](#)  
[Safe Boating Resource Kit](#)  
[“Wear Your Life Jacket to Work \(or Home\) Day”](#)

**Andrews Bay:** I met in late April with officials from the Seattle Mayor’s Office and Seattle Parks. They have asked both RBAW and NMTA to help them in educating boaters about how to boat responsibly on Andrews Bay this coming summer. We’ll discuss the toolbox items we can utilize to support this request.

**Derelict Vessel Removal Program:** We continued our meetings with DNR in April on a sustainable funding initiative. We have agreed that we want to see the biennial budget for the Derelict Vessel Program go from about \$2 million a biennium to something like \$4-5 million. We have shared specific ideas about dedicating a percentage of existing Watercraft Excise Taxes and increasing commercial vessel operator fees. My thanks to VP for Government Affairs Steve Finney for coordinating our RBAW Work Group that has also included President Bob Wise, Past Presidents Paul Thorpe and Wayne Gilham, Bob Watson, and others. Thanks all!

**Efforts with National Marine Fisheries Service (NMFS) on federal permitting for marina upgrades – federal/ESA lobbying firm brought on board:** Not much to report here. RBAW, NMTA, NMFS and the folks at DNR are still trying to put together a meeting to review a “conservation calculator” that would be used to determine mitigation requirements for marina upgrade projects. RBAW President Bob Wise, NMTA VP Peter Schrappen, Logan Brown of the firm Marine Floats, and myself have spent more time on this issue than we would care to admit! 😊

**Boat U.S. Contribution:** I’m pleased to report that, on the heels of making a \$5,000 contribution to RBAW in 2020, Boat US is doing the same for 2021! We greatly appreciate having Boat US recognize the value of RBAW.

**Thank you, Doug Levy**

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