



## Week 1 Report

January 13, 2024

*The Legislative Report is distributed weekly throughout the legislative session. Each edition includes an update of legislative activities as well as a list of specific legislative meetings of interest to ports. Copies of bills can be found on this page of the Legislature's web site: [Bill Information](#).*

### INTRODUCTION

The Washington Legislature convened on Monday, January 8<sup>th</sup> for a 60-day Legislative Session, the second year of the state's legislative biennium. Lawmakers wasted no time, quickly filling up committee calendars with public hearings and work sessions and even moving a few bills off the House floor in Week One. As a reminder, as part of the two-year legislative biennium, all bills that do not pass during the 105-day session, are technically *alive* again for the 60-day session. While many are not revived, hundreds of bills from 2023 will be eligible for consideration along with the newly introduced bills from this year. As of Friday, January 12<sup>th</sup>, the House and Senate have each introduced over 400 bills – totaling more than 900 new bills in the first week.

One other important factor in a short legislative session is the added importance of legislative deadlines, which add intensity to the already fast-paced policymaking environment of the part-time legislature. There are only 24 days until the first legislative deadline when all bills need to pass out of their respective policy committees to remain alive (Policy Committee Cutoff, on 1/31/24).

Monday began with House and Senate opening ceremonies and on Tuesday Governor Inslee gave his annual State of the State address. His remarks highlighted the successes he has achieved over three terms and emphasized issues that the Democrats will continue to prioritize this year – climate, reproductive rights, housing, education, and mental health. In particular, and with all of Olympia looking ahead at the

### AT A GLANCE

*Length: 60 days; Regular session began on January 8, 2024*

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### SESSION CUT OFF DATES

*The cut-off dates are designed to keep legislation moving. Any bill that fails to move past a cut-off deadline is usually considered "dead."*

*January 8, 2024: First Day of Session*

*January 31, 2024: Last day to read in committee reports (pass bills out of committee and read them into the record on the floor) in house of origin, except House fiscal committees and Senate Ways & Means and Transportation committees.*

*February 5, 2024: Last day to read in committee reports (pass bills out of committee and read them into the record on the floor) from House fiscal committees and Senate Ways & Means and Transportation committees in house of origin.*

*February 13, 2024: Last day to consider (pass) bills in house of origin (5 p.m.).*

ramifications of a potential repeal initiative in the fall, the Governor highlighted the Climate Commitment Act (his signature “Cap and Trade” policy) and noted that proceeds from that legislation are allowing capital investments that reduce pollution and create jobs. He also reflected on the fact that Washington’s minimum wage was \$9 when he came into office in 2013 and sits at over \$16 today ([Click here to watch](#) or [click here to read his remarks](#)).

Early action from WPPA included testimony on the Governor’s transportation and operating budget proposals, a bill to related to .09 economic development funding, and a new bill to improve the energy facility siting process. More big issues away on next week’s committee schedule, including a hearing on legislation that would bring the state into the Port of Seattle’s budgeting process and on WPPA’s priority bill to promote freight rail investments.

See below for more detail on legislative issues where WPPA is closely tracking and engaged.

*February 21, 2024: Last day to read in committee reports (pass bills out of committee and read them into the record on the floor) from opposite house, except House fiscal committees and Senate Ways & Means and Transportation committees.*

*February 26, 2024: Last day to read in opposite house committee reports (pass bills out of committee and read them into the record on the floor) from House fiscal committees and Senate Ways & Means and Transportation committees.*

*March 1, 2024\*: Last day to consider (pass) opposite house bills (5 p.m.) (except initiatives and alternatives to initiatives, budgets and matters necessary to implement budgets, differences between the houses, and matters incident to the interim and closing of the session).*

*March 7, 2024: Last day allowed for regular session under state constitution.*

## **Aviation**

### *Improving Equity in Large Port Districts*

The legislative delegation that represents the communities around Seattle-Tacoma International Airport are bringing forward legislation ([SB 5955/HB 2103](#)) that would require the Port of Seattle to devote a certain portion of its tax levy to mitigating the noise and air impacts of aviation activities. The bill does not acknowledge the substantial work the Port of Seattle does in this area, nor the fact that the airport noise and air quality mitigation efforts are funded primarily by airport revenues – not by the port’s tax levy. Of particular concern to WPPA and our members beyond just the Port of Seattle, the legislation represents a concerning interjection of state policymaking into the port’s independent taxing authority and policy setting process.

WPPA will testify to these concerns at public hearings in the House and Senate on Tuesday, January 16<sup>th</sup>. Any WPPA member ports with an interest in engaging their legislative delegation to share similar concerns should contact Eric ffitich directly before Tuesday.

## **Broadband**

### *Broadband Loans and Grants*

[HB 1982](#), sponsored by Rep. Waters, would codify the Community Economic Revitalization Board’s (CERB) Rural Broadband Program and make it a permanent part of the board’s funding program. WPPA testified in support of the bill on Tuesday. The bill is scheduled to be voted out of the Innovation Community & Economic Development & Veterans Committee next Tuesday.

## Budgets

### *Governor's Proposed Supplemental Budgets*

The first week of session marks the first briefing and hearings for the Governor's three budgets; the operating budget, capital budget, and transportation budget. WPPA weighed in on all three budgets testifying on both the operating and transportation budgets. WPPA's testimony on the operating budget focused on language sweeping operating funding for the model toxics programs. You can find more information about this in the Environment and Natural Resources section below. WPPA's transportation budget testimony focused on the Port Electrification Grant Program which received \$26.5 million in appropriation last session. WPPA worked with WSDOT and others to broaden interest in this program and now see sufficient interest to make this program permanent. Both houses of the legislature will release their own budgets in early February.

## Economic Development

### *Promoting Economic Development Through Federal Funding*

[HB 1870](#), the Match Act, sponsored by Rep. Barnard, would direct Washington State Department of Commerce to provide local governments, including port districts, technical assistance aimed at securing additional federal funding for local government projects. WPPA has confirmed port districts would be eligible to receive this support based on the definition of local government found in the bill. The bill is scheduled to be voted out of committee next Tuesday.

### *ADO Innovation Grants*

[HB 1717](#), which was revived this week from the 2023 session, would create an Innovation Grant program for Associate Development Organizations (ADO's) which would provide important new competitive funding for these economic development organizations. On January 11, the bill was voted out of the House by a vote of 93-4. It will now proceed to the Senate for further consideration. WPPA supports HB 1717 which also calls for Commerce to work with ADOs and relevant stakeholders to develop criteria to guide awards under this new grant program.

### *Nonresident Vessel Permit Lengths*

[HB 1906](#), sponsored by Rep. Chapman (D-24th), would increase the allowable nonresident vessel length from 200 feet in length to 300 feet in length. This legislation aims to encourage more boats to cruise Washington's waters and will allow for extended stays and services including deep maintenance and retrofitting in Washington's boatyards. On January 10, HB 1906 was heard in the House Transportation Committee, where several ports along with WPPA weighed in with support. Paul Jarkiewicz, the Executive Director at the Port of Port Angeles, shared his considerable expertise with the committee in testimony that supported passage of the bill. This is a priority of a key WPPA partner and Associate Member, the Northwest Marine Terminal Association, and WPPA will continue to support the measure as it advances.

### *.09 Funding – Expanded Uses, Including Land Acquisition for Workforce Housing*

The 2024 Legislature is again focused on ways to increase affordable housing stock. One tool again being considered by certain local governments is the .09% public facilities tax set aside for economic development. [HB 1987](#), sponsored by Rep. Low, would expand the eligible uses of .09 funds to include land acquisition for affordable workforce housing. WPPA testified with concerns during the hearing in the House Local Government Committee on Friday. WPPA will work with the bill sponsor to broaden the availability to include land acquisition for traditional public facility projects as well in addition to clarifying that affordable workforce housing be retained for essential workers and available for workers

within a reasonable distance from home. WPPA maintains that .09 funds are an ineffective tool because it does not raise enough funding to make a significant difference in the stock of affordable workforce housing. The bill is scheduled to be voted out of committee January 19<sup>th</sup>.

#### *Renewing Washington's Engagement in International Affairs*

[HB 2000](#), sponsored by Rep. Mena, would broaden the state's existing international trade programs overseen by the Office of International Relations and Protocols. The bill also establishes specific protocols for engagement with British Columbia. The bill was heard and voted out of committee this week. The Senate version, [SB 6168](#) is scheduled to be heard in the Business Financial Services, Gaming & Trade Committee on Thursday January 18<sup>th</sup>. WPPA supports these bills as meaningful improvements to the states existing trade policy.

#### *Encouraging Rural Economic Development Through Data Collection*

[SB 5817](#) and [HB 1912](#) would task the department of revenue, the department of labor and industries, the employment security department, and the department of licensing to collect and consolidate information about business in Washington state. Over time, the end use would be to analyze, and support increased economic development in rural areas of Washington. Both bills are scheduled to be heard in their respective committees of origin on Tuesday January 16<sup>th</sup>. WPPA will sign in to support both bills as modest ways to improve access to data.

## **Energy**

#### *Appeals Process for Environmental and Land Use Matters*

[HB 2039](#), introduced by Majority Leader Rep. Joe Fitzgibbon (D-West Seattle), is part of a multi-year effort to continue to work on improving the energy siting process in Washington state. This bill specifically focuses on modifying and streamlining the appeals process. On January 8, the bill had a public hearing in the House Environment and Energy Committee. The bill sponsor stated that the intent is to facilitate swift resolution of appeals while still allowing for a thorough predictable process. Modifying the appeals process by increasing expediency and allowing for consolidation of appeals is helpful and will surely show progress in certain clean energy project cases. The bill received supportive testimony from WPPA and diverse stakeholders, including Puget Sound Energy, Washington Building and Construction Trades Council, Clean and Prosperous Washington, Climate Solutions, and the Association of Washington Business. Testifiers noted the need for expediting the siting and permitting process and many mentioned the need for further improvements to this process.

#### *PSE Phasing Out of Natural Gas*

During the 2023 Legislative Session, the state's largest investor-owned utility, Puget Sound Energy, brought forward proactive legislation ([HB 1589](#)) that would have outlined a path for them to ease out of the retail natural gas business. Under the proposal, the bill did not call for discontinuing service to current natural gas customers however it did include an almost immediate timeline that it would have stopped connecting new customers (June 30, 2023 – just two short months after the end of the 2023 session). It requires the utility to create a gas decarbonization plan and an electrification plan. Ultimately, the legislation failed to pass. On January 11, HB 1589 was revived, and both chambers of the House caucused on a new version of the bill [which can be found here](#). We are likely to see action on this bill next week.



### *Climate Commitment Act – Linkage with California & Quebec*

[SB 6058/HB 2201](#), introduced by Chairs of the Senate and House Energy Committees, Sen. Nguyen (D-West Seattle) and Rep. Doglio (D-Olympia), would allow the Department of Ecology to pursue linking the state’s carbon market with California and Québec. On January 12, the Senate version of the bill had a public hearing in the Senate Environment, Energy, and Technology Committee. WPPA has been monitoring this process as Ecology will have to undertake rulemaking if this is approved. It’s too soon to tell how far this proposal will go despite having the support of the Governor and majority parties of the legislature.

## **Environmental & Natural Resources**

### *Petroleum product supply*

At the request of Governor Inslee, the Chairs of the House and Senate environment committees are bringing forward legislation ([SB 6052/HB 2232](#)) that’s intended to collect information on petroleum product supply, transportation, distribution, and pricing. Characterized by proponents and sponsors as a response to consumer gas price spikes over the past year, the bill has attracted the attention of WPPA and our members due to its inclusion of ports, port operators, and terminal operators in its oversight of the petroleum supply chain. WPPA met with the bill sponsor this week and will testify at the hearing on Wednesday, January 17<sup>th</sup>, to share concerns with the bill potentially adding burdensome record-keeping requirements on our members. Our position is that because public ports simply provide the infrastructure for the movement, whether by air, land, or water, to move petroleum products --- we are not setting prices – and should not be captured in the reporting requirements under this bill.

### *Model Toxics Control Act (MTCA)*

In the 2023-25 Supplemental Operating Budget the Governor proposed a transfer of \$50 million from the MTCA operating account to the state’s general fund for fiscal year 2025. MTCA continues to be tapped to backfill General Fund shortfalls and fund shifts to programs that are not part of MTCA’s core mission putting increased pressure on the MTCA account. Unfortunately, the Governor’s proposed supplemental operating budget would approve the \$50 million transfer from the MTCA operating account. WPPA, with a coalition of stakeholder groups, are working together to request this transfer be removed from the budget this legislative session.

### *Environmental Justice for Certain Projects*

[HB 2070/SB 5990](#) was introduced by Rep Mena and Senator Lovelett on January 2 and has a public hearing scheduled for January 16 in the House Committee on Environment and Energy. This bill would integrate environmental justice considerations into certain projects. It would require a lead agency to pay for and complete an environmental justice impact statement consistent with additional requirements on many types of projects defined as a “potentially impactful project.” Environmental justice is an important component to consider in impactful projects, however, these strenuous requirements would add additional costs and create further delays in project timelines. Additionally, the bill prohibits compelling public interest from including considerations of economic benefits.

### *Safer Products for WA – 6PPD*

[SB 5931](#) was introduced by Senator Salomon on January 2. This bill identifies the chemical 6PPD as a priority chemical, which Ecology was already doing, the bill simply expedites that process. It additionally requires rulemaking and by June 1, 2025, Ecology must determine an initial set of regulatory actions under this chapter. The intent is to adopt regulations like California, relating to 6PPD in motorized vehicle tires to reduce runoff contamination that has been shown to adversely impact coho salmon. There was a public hearing in the Committee in Environment, Energy, and Technology on January 9<sup>th</sup>. Ecology testified with concerns over the timeline and not being able to meet the

requirements outlined in the bill. There were also concerns expressed at the hearing over the lack of available alternatives. There is still ongoing research and studies happening relating to the chemical. A tire manufacturers consortium is currently working on a robust alternative study now because of the California law.

#### *Small Off-Road Engines*

[HB 2051](#) is sponsored by Rep. Walen at the request of the local advocacy group Quiet and Clean Kirkland. The bill would ban new, starting in 2027, gas-powered outdoor equipment under 25 horsepower like leaf blowers and lawnmowers in Washington state. It is modeled after California's small off-road engine and equipment (SORE) standards. It also would establish a \$5 million temporary grant program for local governments to purchase zero emission outdoor power equipment and would establish a [broad sales](#) and use tax exemption. Exemptions included in the bill for equipment like chainsaws and generators. On January 11, the bill had a public hearing in the House Environment & Energy Committee and has not yet been scheduled for a vote out of committee.

#### *Repealing the Greenhouse Gas Content Disclosure Program*

[HB 1955](#), sponsored by Rep. Barnard at the request of the Department of Commerce, would simplify reporting requirements for electric utilities. Under the Clean Energy Transformation Act, utilities are required to report greenhouse gas emissions as a metric for measuring compliance. Additional reporting requirements have passed since 2019 and this provision is no longer needed. On January 9, the bill had a public hearing in the House Environment and Energy Committee and scheduled for a vote out of committee on January 15.

#### *Surveys of State-Owned Aquatic Lands*

[HB 1863](#) was introduced by Rep. Christian at the request of local private homeowners on Newman Lake due to disputes over dock structures. The bill would prohibit the Department of Natural Resources (DNR) from requiring payment for surveys of state-owned aquatic lands by current or prospective lessees of such lands. While it seems like a positive step forward, there is no funding associated with the proposal. A public hearing took place on January 10 at the House Committee on Agriculture and Natural Resources. DNR testified the cost to be around \$500,000 and would need to recoup this cost across all aquatic lease holders. Further, there is no survey requirement relating to lease renewal nor does this bill change anything in the Port Management Agreements. The committee chairs seemed concerned that this bill was being introduced to resolve a local land dispute. We will continue monitoring its progress but do not expect this bill to pass out of committee.

## **Governance**

#### *Transparency in Rulemaking*

[SB 5835](#), sponsored by Sen. Lynda Wilson, would require any state agency rulemaking websites to include a plain language summary of 100 words or less detailing each proposed rule, emergency rule, and permanent rule proposed or adopted within the last 12 months. The bill had a public hearing on January 9 and was voted out of Committee on January 12 with one technical amendment. It now moves to the Senate Rules Committee where it will await a potential move to the Senate Floor Calendar.

#### *Modifying Public Comment Requirements for Public Agencies*

[HB 1105](#), sponsored by Rep. Kloba (D-Bothell), would require public agencies, when soliciting public comment, to include the last date by which such public comment must be submitted. If a public agency does not include the last date, they are subject to a \$500 civil penalty for the first violation and \$1000 for any subsequent violation. This bill was introduced in 2023 and passed unanimously out of the House but ultimately died before the end of session. On January 10, the bill was brought back to life and passed unanimously out of the House (again!). Next, it will proceed to the Senate for further consideration.

### *Prejudgment Interest*

Last year, more than 50 entities and organizations, including WPPA, signed-in and testified in opposition to [Senate Bill 5059](#). This legislation would allow interest for judgements against public agencies to begin accruing *before a claim was filed* and, in some cases, before a port district or other local government was made aware of injury or loss. Current law provides that interest begins to accrue on the date a judgment is entered by a court, so this bill represents a substantial change with potentially substantial consequences for WPPA members. The bill has been revived from 2023 and has been scheduled for a public hearing on January 15<sup>th</sup> in the Senate Ways & Means Committee. WPPA will sign in CON on SB 5059 and suggests that our members please consider signing-in in opposition to this legislation. ([click here to sign in](#), or [contact Eric ffitich](#) for additional context).

### *Even-Numbered Year Elections*

[HB 1932](#), sponsored by Representative Mia Gregerson (D-SeaTac), would permit cities, towns, and some limited purpose governments to hold their elections in even-numbered years instead of odd-numbered years. The bill includes a “mandatory” component, requiring those political subdivisions to transition to even-numbered years if they experience less than 40 percent voter turnout in four consecutive election cycles. The bill was opposed by some local governments due to concern with the potential for a required change in election policy. The Secretary of the State’s Chief of Staff testified to concerns that a crowded ballot on an even-numbered election year could reduce the focus on important races that now appear further down the ballot.

### *State Public Infrastructure Assistance Program*

The State Military Department is proposing several agency request bills, including [HB 2020](#) which would establish a public infrastructure assistance program. WPPA testified with technical concerns including making sure the bill allowed port districts to be eligible to receive infrastructure assistance. WPPA has worked with the Military Department to modify the language. The bill is expected to be voted out of the Innovation, Community & Economic Development & Veterans Committee next Tuesday with modified language clearly including port districts into the bill.

## **Labor & Workforce**

### *Crane Safety*

Companion bills designed to increase the safety of the installation and removal of construction cranes were both heard this week. [HB 2022/SB 5900](#) were heard in their respective labor and workforce committees. WPPA is working to make sure cranes in operation at port terminals and other port operations are excluded from the legislation.

### *Apprenticeship Utilization - Responsible Bidder Criteria*

[SB 5133](#) is scheduled to be heard in the Senate Ways & Means Committee on Tuesday January 16<sup>th</sup>. An amended version of the bill would establish additional hurdles for contractors to meet including becoming a registered training agent for apprentices for projects requiring apprenticeship utilization minimums. WPPA has concerns about this legislation and will testify during the hearing as such.

Several high-profile bills addressing worker rights are being heard in the legislature this week and next. WPPA is currently monitoring these bills.

### *Concerning Access to Personnel Records*

[SB 5924](#), sponsored by Sen. Kuderer, is similar to legislation we saw in 2023, but has been reintroduced with changes. The bill would require an employer to furnish an employee with a complete, unredacted copy of their personnel file at no cost, if requested, within 21 calendar days (changed from 14 calendar

days in 2023). Additionally, it mandates an employer to furnish a former employee with a signed written statement with the effective date of discharge, whether the employer had a reason for the discharge, and if so, the reasons, within 21 calendar days (changes from 14 calendar days in 2023) of the written request. The bill also includes a PRA (private right of action). The PRA would be allowed if the employee notices the employer at the end of the 21 day period, then would need to wait 5 days to file action. On January 11, the bill had a public hearing in the Senate Labor and Commerce Committee and has not yet been scheduled for a vote out of committee.

#### *Expanding Unemployment Insurance Benefits to Striking and Locked Out Workers*

[HB 1893/SB 5777](#), sponsored by Rep. Doglio and Sen. Keiser, would allow employees to access unemployment insurance benefits when the employee is on strike or has been locked out following a strike against the employer. On January 9, both the Senate and House version of the bill had public hearings in their respective labor committees. Next week, HB 1893 is scheduled for a vote out of committee.

#### *Adding Protected Classes in Washington to the Equal Pay and Opportunities Act*

[HB 1905/SB 5894](#), sponsored by Rep. Mena and Sen. Nobles, would update Washington's equal pay and opportunities act to include protected classes including but not limited to, a person's age, sex, marital status, sexual orientation, race, military status, the use of a trained dog guide or service animal, etc. Should this bill pass, an employer may not discriminate, limit, or deprive an employee of career advancement opportunities that would otherwise be available. The violations in Washington's current Equal Pay Act would remain the same. On January 10, the House version of the bill had a public hearing in House Labor and is scheduled for a vote out of committee on January 19. The Senate version will have a public hearing on Monday, January 15.

#### *Protecting the Rights of Workers From Attending Meetings or Listening to Their Employer's Speech*

[HB 1940/SB 5778](#), would prohibit an employer from disciplining or discharging or acting against an employee for refusal to attend an employer-sponsored meeting, listen to speech, or view communications, when the primary purpose of which is to communicate the employer's opinion concerning religious or political matters. On January 10, the House version of the bill had a public hearing in House Labor and is scheduled for a vote out of committee on January 19. The Senate version had a public hearing on January 11.

## **Land Use**

#### *State Aerial Imagery Program*

[HB 1990/SB 5954](#) was introduced by Rep. Ryu (D-Shoreline) to create a Washington state aerial imagery program. This program would provide aerial imagery services to local governments, state agencies, special purpose districts, and tribal governments with an option to buy-up derived products or enhanced imagery at reduced rates. A program like this could be useful for port surveys, however WPPA is monitoring the bill to make sure ports would have access and privacy rights are maintained. A public hearing was held on January 10 in the House Committee on State Government and Tribal Relations and an executive session is scheduled for January 19.



## Transportation

### *Freight Rail Modernization:*

[SB 5494](#) will be heard in the Senate Business Financial Services Gaming & Trade Committee on Wednesday January 18<sup>th</sup>. Most port districts making investments in rail infrastructure will be eligible for a sales and use tax exemption on materials purchased as part of a rail infrastructure project. WPPA worked with stakeholders including shortline rail interests over the interim to perfect modified bill language which is expected to be heard at Wednesday's committee meeting. The companion bill [HB 1371](#) was rolled back to the House Finance Committee. WPPA is working with the chair to move this version out of committee.

## Tax & Revenue

### *Increasing the 1% Property Tax Cap*

A coalition of local governments is once again coming together to ask the legislature to consider legislation ([SB 5770](#)) that would increase the 1% property tax cap. Led by the Association of Washington Cities, Senator Pedersen's (D-Seattle) bill would tie the cap to inflation and make 3% the new maximum increase limit. The bill sponsor has indicated that a substitute amendment will come forward that focuses on local government funding and the senior and disabled veteran exemption. That substitute is being heard at the Ways and Means Committee on Thursday, January 18<sup>th</sup>, and WPPA will sign in PRO to show support for the measure.

## Tourism

Two bills have been introduced ([SB 6080/HB 1896](#) and [SB 6202/HB 2137](#)) that make modest changes to the state's tourism marketing authority and its governing statute. Both are minor and considered "technical corrections," and both are supported by our partners in the tourism community. WPPA will support these bills as they move forward and will sign in PRO at hearings on both bills.

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