



Week 2 Report

January 20, 2023

The Legislative Report is a weekly report that is distributed each Friday 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

Week 2 of the session was filled with a flurry of new bill introductions, committees holding work sessions, and public hearings on proposed legislation. Committees have already begun voting bills out of committee to move them along in the process.

Traditionally, Martin Luther King Day is one of the busiest days at the capitol, as throngs of visitors and school children have the day off to honor the life of Dr. King and use the opportunity to visit the capitol. Despite being back in person, this year the capitol was mostly absent the usual high-energy atmosphere. Constituents from around the state appear to be taking advantage of the hybrid options that continue to allow them to testify and meet with legislators remotely.

Climate policy was a central focus of the environmental and energy committees in both the House and Senate this week. Siting and transmission bills put forward by Governor Inslee attracted significant attention and testimony, including WPPA testimony in support of a proposal to ease energy facility siting restrictions.

Next week we will see a few more bills that could impact ports up for hearings, including the following:

SB 5379, a bill establishing the ADO Innovation, Sustainability, Partnership & Equity Grant Program is being heard January 24th at 8:00am in the Senate Business, Financial Services, Gaming & Trade Committee. *Please consider testifying.*

AT A GLANCE

Length: 105 days; Regular session began on January 9, 2023

For up-to-date legislative information, visit: leg.wa.gov

To listen to a legislative hearing, visit: tvw.org

For current and previous copies of our report, visit our website at: washington-ports.org

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 9, 2023: First day of session

February 17, 2023: Last day to read in committee reports in house of origin, except House fiscal committees and Senate Ways & Means and Transportation committees.

February 24, 2023: Last day to read in committee reports from House fiscal committees and Senate Ways & Means and Transportation committees in house of origin.

HB 1267, regarding .09 funding, extending the sunset for the .09 tax to 2054, is being heard Tuesday, January 24th, in the House Local Government Committee. *Please consider testifying or signing in PRO on HB 1267.*

SB 5380, Clean Energy Siting, will be heard on January 24th at 1:30 in Senate Environment, Energy, and Technology. *WPPA will testify in support.*

SB 5465 supports the state's tourism marketing work, and is being heard on Tuesday, January 24th at 8am. *Please consider testifying.*

SB 5482, Concerning the Margin Tax, is being heard January 26 at 10:30 in the Senate Business, Financial Services, Gaming & Trade Committee.

(NOTE ON SB 5482: The Margin tax is intended to be a replacement for the state's Business & Occupation Tax. For more details on the Margin Tax, see the tax section of this report below. Consider completing the Tax Calculator for your port here: [Tax Calculator](#). Report your results to WPPA so we are able to provide feedback on this important tax policy question.)

At the end of the first week, there were approximately 700 bills under consideration, adding bills introduced this week, there are now over 1,000 bills and memorials under consideration and review.

March 8, 2023: Last day to consider bills in house of origin (5 p.m.).

March 29, 2023: Last day to read in committee reports from opposite house, except House fiscal committees and Senate Ways & Means and Transportation committees.

April 4, 2023: Last day to read in opposite house committee reports from House fiscal committees and Senate Ways & Means and Transportation committees.

April 12, 2023: 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).*

April 26, 2023: Last day allowed for regular session under state constitution.

** After 5:00pm on the 54th day, only initiatives, alternatives to initiatives, budgets and matters necessary to implement budgets, matters that affect state revenue, messages pertaining to amendments, differences between the houses, and matters incident to the interim and closing of the session may be considered.*

ECONOMIC DEVELOPMENT

Tourism

Legislation brought forward by Representative Cindy Ryu (D-3rd LD) to promote Washington state tourism was heard this week in the House and its companion bill—SB 54645, sponsored by Sen. Derek Stanford (D-1st LD—will be up in the Senate this coming week. WPPA signed in “pro” on the House bill and will support the Senate version, as the effort would strengthen Washington state's Tourism Marketing Authority with additional funding and reduced “match” requirements for the non-state funds that help support its programming. Ports that rely on tourism as one economic development tool have supported the work of the Washington tourism marketing entity in prior legislative sessions, and WPPA will continue supporting this with testimony and as part of a coalition of interested groups.

Site Readiness

WPPA testified or signed in to support companion bills HB 1231 and SB 5229, which would include site readiness as an eligible use for CERB planning grants and would also temporarily eliminate the cap on how much the board can award to planning grants. The current cap is \$50,000. Both bills were voted out of committee and onto their respective fiscal committees on Friday.

ENERGY

SB 5165 was heard in Senate Environment, Energy, and Technology committee on 1/18, while the companion HB 1192 was heard in the House Environment and Energy Committee on 1/19. These measures would require utilities to plan on a 20-year horizon for energy demand, especially taking into account clean energy transmission needs.

HB 1216 related to clean energy siting was heard 1/19 in the House Environment and Energy Committee. The bill would create an Interagency Clean Energy Siting Coordinating Council (much like the Energy Facility Site Evaluation Council (EFSEC)); establishes a definition for clean energy projects “of statewide significance”; requires a SEPA review to be completed within two years; and initiates a programmatic environmental review for certain types of energy development. WPPA provided testimony in support of the bill, and noted that several ports are pursuing partnerships with clean energy project developers and could see swifter permit approval as a result of this bill. The Senate hears the companion bill in the coming week, and WPPA will continue to voice support while working with bill sponsors on small changes to the bill. The expectation in Olympia is that this bill will change significantly, so WPPA will work with member ports to review any changes that come forward.

ENVIRONMENT AND NATURAL RESOURCES

On 1/16, the House Environment and Natural Resources committee heard HB 1175. This measure would create an insurance program for owners and operators of underground storage tanks through the Pollution Liability Insurance Agency. WPPA expressed support for this legislation in its public hearing, and the bill continues to advance.

WPPA is making progress on the plastic pollution bill HB 1085 as noted in last week’s report. The bill sponsor, Rep. Sharlett Mena (D-29th LD), convened a meeting with bill proponents and concerned stakeholders this week. It was a productive meeting that resulted in a proposed compromise amendment on the sections regarding overwater structures. The committee will take action on the proposed substitute this coming week. WPPA recommends the changes as largely addressing our identified concerns, but we will continue to work with port members to review language and discuss impacts as the bill moves through the process.

GOVERNANCE

Enhanced Voting Rights Act of Washington state

This week, WPPA testified on the Senate version of the Enhanced Voting Rights Act (SB 5047), sponsored by Sen. Saldana (D-Seattle). Similar to testimony in the house, Eric ffitch shared that while all ports support open and fair elections, WPPA legal counsel has raised concerns about potential port impacts. As currently drafted, the bill would allow coalitions of voters to bring challenge to elections systems, potentially even outside of the political jurisdiction in which they reside, and recover costs incurred in those challenges. WPPA met with the House sponsor this week and is seeking a meeting with the Senate sponsor in the coming week to discuss possible changes to the bill.

LABOR

Paid Family Medical Leave

On January 16, Senate Bill 5286, sponsored by Senator Robinson (D-Everett) and Senator King (R-Yakima) had a public hearing in the Senate Labor & Commerce Committee. The bipartisan proposal comes from the [Washington’s Paid Family Medical Leave taskforce](#) which is made up of labor and business representatives. During the public hearing, Joe Kendo (Washington State Labor Council) and Bob Battles (Association of Washington Business) testified in support. Over 60 stakeholders signed in to support the bill but did not testify.

LAND USE

SB 5203 adding climate policy to SEPA, GMA, and the SMA, was heard in the Senate Committee on Local Government, Land Use & Tribal Affairs on 1/17. The companion measure HB 1181 was also heard 1/17 by the House Local Government Committee. These bills nearly passed last year, and WPPA worked on an amendment to address potential impact to freight transportation. Staff continues to review the proposals this year for the same policy issues on which we engaged last year.

Housing remains a focus of the legislature this year, and WPPA is monitoring proposals from a land use perspective. SB 5190/HB 1110 both seek to promote housing density in existing residential zones. HB 1110 had its House hearing this week, and SB 5190 will be heard by the Senate Housing Committee on Wednesday, January 25th.

PUBLIC WORKS

Small Works

The Senate State Government & Elections Committee heard SB 5268 in committee on Friday. WPPA testified in support of the bill which makes significant improvements to the Small Works Process, including raising ports Small Works threshold to \$350,000. This bill is consensus legislation after significant work over the interim. Dawn Egbert with Port of Vancouver USA was one of the lead negotiators on behalf of ports (Thank you Dawn!). The House version, HB 1306, is up for a hearing next Tuesday in the Innovation, Community & Economic Development, & Veterans Committee.

Apprenticeships

WPPA continued to work on amending two bills that would extend apprenticeship requirements to contractors pursuing port districts public works contracts. SB 5133, was not voted out of the State Government & Elections Committee today in an effort to spend more time modifying the bill. WPPA also testified with concerns on HB 1050 on Thursday. The bill would affect both prime contractors as well as subcontractors with contracts in excess of \$200,000. WPPA is working with the sponsors to address concerns around limiting contractor availability as well as the policy's impact on minority and woman-owned businesses.

Prevailing Wages

WPPA continues to work with the sponsor to address implementation challenges on HB 1099. The bill was voted out of committee Friday without the improvements needed. The bill currently conflicts with ports' unit price contracting statute. Labor interests continue to work with us on acceptable amendments.

TRANSPORTATION

Freight Mobility Strategic Investment Board (FMSIB)

HB 1084 was heard in the House Transportation Committee (HTC) on Thursday. Sixteen people testified, mostly with lingering questions or concerns about the bill. The chair of the HTC has signaled he will continue to work with stakeholders to both answer questions and make improvements to the bill. WPPA is advocating for the board to return to the business of funding projects after a four-year hiatus. WPPA is actively working to broaden the board's role in advocating for freight projects and is working to build consensus among board members on an agreeable outcome for this legislation. Thanks to Commissioner John McCarthy (Port of Tacoma), FMSIB Board Member and Jim Hagar, Port of Vancouver USA for providing testimony on this important bill.

The State of the State of Transportation

Transportation Secretary Roger Millar provided an update on the State of Transportation to both transportation committees earlier this week. The Secretary focused on challenges to our transportation system as well as discussing WSDOT's strategic plan. WSDOT is refocusing on safety. The state saw an estimated 725 fatalities on its roadways in 2022, a grim record. Further, workforce challenges are affecting WSDOT's ability to deliver projects on time. To see Secretary Millar's entire presentation, you can find a link here: [State of the State of Transportation video](#)

Green & Renewable Hydrogen Authority for Public Transportation Benefit Areas

On January 18, Senate Bill 5235 had a public hearing in the Senate Environment, Energy & Technology Committee. This bill, sponsored by Sen. Shewmake (D-Bellingham) and Sen. Boehnke (R-Kennewick), would authorize a Public Transportation Benefit Area (PTBA) authority to produce, use, sell, or distribute green electrolytic hydrogen and renewable hydrogen. The majority of transit systems in Washington are operated by PTBA's, which can cover all or parts of counties as well as span across several cities.

TAX

Last week, we shared an update on the House Finance Committee's review of a report by the Tax Structure Work Group. That group spent the last several years reviewing the state's taxation system, and this week they reported on their work to the Senate Ways and Means Committee. Interested member ports (with extra time on their hands) can review that report [here](#).

One element of the report contemplated a new state "margins tax," to potentially take the place of the state business and occupation tax. SB 5482, put forward by Senator Noel Frame (D-36th LD) would carry that recommendation forward. It has a public hearing this coming week, and WPPA is hearing from members how this might impact their bottom lines. Consider completing the Tax Calculator for your port here: [Tax Calculator](#), and report your results to WPPA. Depending on what we hear from members, we may actively engage in the hearing in the Senate this coming week.

Port Day Reminder

Thursday, February 2nd

Legislative Building, Columbia Room

7:00 am: Breakfast Briefing, 12:00 pm Luncheon

We hope to see you there!

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