



## Week 3 Report

January 27, 2023

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

Friday, January 27 marks day 19 of the 2023 Legislative Session and thus far over 1,250 bills have been introduced. The focus of the legislature continues to be introducing new policy bills, public hearings on proposed legislation as well as voting bills out of committee. WPPA staff, including our contract lobbying team is actively managing the details, participating in conversations around alternative bill language by getting committee amendments adopted prior to bills moving along in the process

Once again, the legislature held several public hearings on climate and environmental related bills as well as focused on several priority bills for Democrats including health data privacy, wealth tax, and margins tax.

Three weeks remain until the first legislative deadline, February 17, when all bills must pass out of their respective policy committee to remain alive.

This week WPPA played host to both the Port of Benton and the Port of Pasco as Tri-Cities Day came to Olympia.

Next week, WPPA invites you to join us in Olympia. [Ports & Maritime Day](#) is Thursday February 2nd and we continue to prepare and confirm legislative and executive participation at the events. For more information on Ports & Maritime Day, please [click here](#).

### AT A GLANCE

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

*For up-to-date legislative information, visit: [leg.wa.gov](http://leg.wa.gov)*

*To listen to a legislative hearing, visit: [tvw.org](http://tvw.org)*

*For current and previous copies of our report, visit our website at: [washington-ports.org](http://washington-ports.org)*

### NEXT WEEK'S HEARINGS

*If you would like to testify at any of these, please contact WPPA.*

#### **Tuesday, January 31st**

*8:00 am; S - Bus., Financial Services, Gaming & Trade: [SB 5509](#) Creating the Washington state public infrastructure bank; [SB 5539](#) Making technical corrections to the local tax increment financing program*

*8:00 am H - Finance: [HB 1371](#) Providing incentives to improve freight railroad infrastructure*

*8:00 am S - Local Gov., Land Use & Tribal Affairs: [SB 5458](#) Concerning port districts public works contracting*

## Aviation

### *Aviation & Aerospace Advisory Committee*

[HB 1531](#) will be heard in the Innovation, Community & Economic Development & Veterans Committee on February 1st. The bill is the second this session designed to codify the Aviation & Aerospace Advisory Committee into law. This bill specifically prohibits the committee from considering airport siting as part of its scope of work. WPPA will support this bill.

Even as most aviation conversations on the Capitol Campus focus on the specter of the airport siting process, and whether legislation will come forward on that issue, other aviation bills continue to move forward. A large coalition that includes airlines, airports, and fuel producers is working with Senate Majority Leader Andy Billig on legislation to incentivize the in-state development and use of alternative jet fuel. [HB 1505](#) would put in place tax incentives that seek to attract fuel producers who are looking to Washington state as a potential location to manufacture alternative jet fuel. Many ports have been approached by these developers, and some have signed early agreements. [HB 1505](#) is being heard on Wednesday, February 1st, and WPPA will testify in support or seek testimony from member ports. Please contact WPPA if you're interested in joining a panel.

## Economic Development

### *Rural Public Facilities Sales and Use Tax (.09 sales tax dedicated to Economic Development)*

On January 24, [HB 1267](#) had a public hearing in the House Local Government Committee. Under this bill, sponsored by Rep. Tharinger (D-Port Angeles) and Rep. Steele (R-Chelan), the .09 tax would extend the date of expiration to December 31, 2054 instead of the current expiration date in 2034. A rural county is defined as a county with a population density of less than 100 persons per square mile, or counties smaller than 225 square miles, as of April 1, 2021. Currently, there are 30 counties that meet the rural county definition. Thanks to the Port of Anacortes as well as the Chelan Douglas Regional Port Authority for providing testimony on this bill. The bill received minor positive amendments and voted unanimously out of committee on Friday.

### *Site Readiness*

WPPA supported companion Bills [HB 1231](#) and [SB 5229](#), and they will be heard in Senate Ways & Means

## Wednesday, February 1st

8:00 am H - Environment, Energy & Technology: [HB 1378](#) Promoting the alternative jet fuel industry in Washington

8:00 am H - Innovation, Community & Economic Dev. & Veterans: [HB 1531](#) Codifying the Aviation & Aerospace Advisory Board

4:00 pm H - Transportation: [HB 1257](#) Concerning the authority of cargo and passenger ports

## Thursday, February 2nd (Ports & Maritime Day)

8:00 am H - Environment & Energy: [HB 1505](#) Promoting the alternative jet fuel industry in Washington

10:30 am S - Bus., Fin. Services, Gaming & Trade: [SB 5494](#) Providing incentives to improve freight railroad infrastructure

4:00 pm S - Ways & Means: [SB 5229](#) Accelerating rural job growth by promoting economic recovery across Washington through site readiness grants

## 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.*

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

next Thursday. The bills 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. [HB 1231](#) has been referred to the Capitol Budget Committee and [SB 5229](#) has been scheduled for a public hearing during Ports & Maritime Day on February 2nd in the Senate Ways and Means Committee. If your port is interested in testifying on either of these bills, please contact Chris Herman.

#### *Tax Increment Financing – Technical Corrections*

WPPA Supports companion bills [HB 1527](#) and [SB 5539](#) which make technical corrections to the Tax Increment Financing statute. [SB 5539](#) is scheduled for a hearing in the Business, Financial Services, Gaming & Trade Committee on January 31st at 8:00 am. In the interim, WPPA formed a Tax Increment Financing Work Group to navigate port agreement on this legislation. These bills, by request of the state treasurer, represent agreement by port districts on the necessary changes to TIF that are needed to keep existing projects, including the Port of Vancouver’s Terminal 1 project, moving forward. There are additional bills that contemplate changes to the Tax Increment Financing statute, however, these bills do not include all of the changes included in [HB 1527](#)/[SB 5539](#) and therefore are not the preferred legislation of WPPA. The other bill numbers are [HB 1303](#), [HB 1585](#) and [SB 5407](#).

#### *Tourism*

Legislation to promote Washington state tourism ([SB 5465](#)/[HB 1258](#)) has now been heard in both chambers, with WPPA and member ports showing up to support this key tool for ports’ economic development mission. Buck Taft, Airport Director at the Tri-Cities Airport, joined a representative from Visit Tri-Cities to speak as a panel about the importance of tourism to their area. This legislation attempts to strengthen Washington state’s Tourism Marketing Authority with additional funding and other changes, and enjoys broad bipartisan support in Olympia. Both bills passed their committees of origin without any votes in opposition, and now head to fiscal committees for additional consideration. WPPA will continue voicing support and will host a bi-weekly group conversation with other supportive entities to ensure it continues to advance.

## **Energy**

The Senate Environment and Energy Committee heard [SB 5380](#), the clean energy siting bill on January 24., the companion to [HB 1216](#) heard last week. WPPA again testified in support of the measure and 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. If you are a port that has been contacted by WPPA and asked to review, you can expect additional conversations on the next iteration of this legislation in the weeks to come. If you’re interested in participating in this review, please contact Eric or Chris.

*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.*

On January 25th, the committee heard [SB 5129](#) relating to planning for advanced nuclear reactor technology. The bill adds advanced nuclear technology as a guiding principle for the development of the State Energy Strategy, as an additional source of clean energy. This bill is a priority for some of our port members in the Tri-Cities, and WPPA was glad to voice its support along with the Ports of Benton and Pasco. The Senate Environment, Energy & Technology Committee voted [SB 5129](#) unamended, out of committee on Friday.

## Environment and Natural Resources

This week was another busy one in the House and Senate committees that review environment and energy policy. WPPA continues to monitor legislation related to salmon-safe communities and legislation on environmental impacts from halide lighting products, among others.

On Monday, January 23rd, the House Environment and Energy Committee took executive action on [HB 1175](#), creating a state financial assurance program for petroleum underground storage tanks, a measure WPPA is supporting to provide greater financial protection to owners and operators of underground storage tanks.

In a bright moment this week, [HB 1085](#), Plastic Pollution, passed out of the House Environment and Energy Committee on January 26th with WPPA's supported substitute language. As passed, the bill allows hard-cased foam meeting the industry standard to continue to be used in over water structures. The substitute also creates a study of the effectiveness and safety of currently used products and their potential alternatives.

Legislation was introduced in the House and Senate this week in the maritime environmental space that has already seen substantial WPPA engagement. [SB 5433/](#)[HB 1378](#), concerning the removal of derelict aquatic structures, are being brought forward at the request of the State Department of Natural Resources (DNR). WPPA convened a meeting the first week of session between DNR staff and representatives from member ports that work on derelict structure removal, to attempt to reach consensus on a path forward for the legislation. As drafted, ports were concerned that the bills might conflict with their efforts to establish mitigation banks that support structure removal and also promote future project development. Substitute amendment language is currently under discussion and DNR has expressed their willingness to address concerns raised by WPPA members.

## Governance

### *Prohibiting utility disconnections during extreme heat events*

[HB 1329](#), sponsored by Representative Mena (D-Tacoma) at the request of Attorney General Bob Ferguson had a public hearing on January 26 in the House Environment & Energy Committee. The bill would prohibit utilities from disconnecting customers during high-heat events and require reconnections of existing customers. As currently drafted, this bill impacts all utilities who provide water and electricity in the state, including those provided by ports. The sponsors have indicated a willingness to work with concerns related to operational and safety issues with the bill as currently drafted. The companion, [SB 5366](#), sponsored by Sen. Nguyen (D-West Seattle) has a hearing next week on January 31.

### *Enhanced Voting Rights Act of Washington state*

Eric ffitich and WPPA contract lobbyist Marian Dacca have now both testified to port concerns with [SB 5047/](#)[HB 1048](#), stating 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 appear to allow an organization to challenge an election even outside of the political jurisdiction in which their members

reside, though it sounds likely that an amendment will address that particular concern. Both measures have passed their respective committees and have been advanced to the Rules Committee in each chamber. WPPA will continue to engage with the bill sponsors and other stakeholders on this important issue.

## **Labor**

*Concerning privileged communication between employees and the unions that represent them*  
[HB 1187](#), sponsored by Rep. Hackeny (D-Tukwila) would create a new legal privilege for communications between a union representative and a union member when that communication was made during union representation. The bill had a public hearing on January 18 but has not yet been voted out of committee. WPPA would like feedback on as to if we should engage on this legislation.

### *Paid Family Medical Leave*

[The bipartisan proposal, \(SB 5286\)](#), to fix certain components of Washington's Paid Family Medical Leave continues to advance through the legislative process. The bill is currently in the Rules Committee. Given the support from both the labor and business community, we anticipate the bill being brought up for a vote early in the session.

## **Land Use**

The House Local Government committee moved [SHB 1181](#), Climate Change Planning, a measure adding climate elements to the SMA, SEPA, and GMA. The measure passed out of committee on a 4-3 partisan vote on January 25th. WPPA continues to monitor this bill and its Senate companion, [SB 5203](#), for language that could impact how we move freight in Washington.

## **Public Works**

### *Small Works*

The Senate State Government & Elections Committee voted unanimously to advance a substitute version [SB 5268](#) to Ways & Means 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. The House version, [HB 1306](#), was also voted out of the Innovation, Community & Economic Development, & Veterans Committee on Friday in unamended status. WPPA supports the technical amendments included in [SB 5268](#) and believes they are necessary for the policy to be adopted.

### *Apprenticeships*

WPPA continued to work on amending two bills that would extend apprenticeship requirements to contractors pursuing port districts public works contracts. A substitute version of [SB 5133](#), was voted out of the State Government & Elections Committee on Friday but without any changes recommended by WPPA and other local owners. WPPA is also weighing in on [HB 1050](#) which did not see any action this week. 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 a limiting contractor availability as well as the policy's impact on minority and woman-owned businesses.

### *Prevailing Wages*

WPPA continues to work with interest groups on making modifications to [HB 1099](#). The bill as written would require workers be paid prevailing wage based on when the work is performed instead of when the contract was executed. WPPA continues to work to overcome implementation challenges. The bill also currently conflicts with port's unit price contracting statute.

### *Transportation*

In the coming week, the House Transportation committee will hold a hearing on [HB 1257](#), legislation to confirm that cargo and passenger ports have the authority to meet and discuss rates and charges and best business practices. This is a bill that WPPA has been working on with member ports—including Kalama, Longview, Bellingham, and more – to maintain an authority that ports have enjoyed through the federal shipping act since 1937. Recent federal action has called this into question, and passage of [HB 1257](#) would give certainty to ports that have long gathered at the Northwest Marine Terminal Association (NWMTA) to share information about port operations. The hearing is on Wednesday, February 1st, and WPPA will be helping to coordinate port testimony.

### *Freight Rail Investment Incentives*

Both [HB 1371](#) and [SB 5494](#) will be heard in their respective committees next week. The bills seek to incentivize infrastructure spending on freight rail by providing tax incentives. WPPA is participating in the drafting of this legislation and encourages members that would benefit from it to testify. [HB 1371](#) will be heard in the House Finance Committee on January 31st and [SB 5494](#) will be heard February 2nd in the Senate Business, Financial Services, Gaming & Trade. Please Contact Chris if you're interested in testifying on these bills.

### *Freight Mobility Strategic Investment Board (FMSIB)*

WPPA continues to participate in ongoing discussions to improve [HB 1084](#). The bill sponsor will hold a stakeholder work group on February 3rd. 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.

## **Tax**

### *Margins Tax*

As previously reported, the [Tax Structure Work Group](#) spent the last several years reviewing the state's taxation system and put forward various recommendations on how to create a better tax system for the state. 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. On January 26, the bill had a public hearing where WPPA's Chris Herman testified in opposition to the proposal citing concerns with impacts to Washington's Ports. We would love for additional feedback on impacts to Ports. If you haven't already done so, consider completing the Tax Calculator for your port here <https://taxworkgroup.org/tax-calculator> and report your results to WPPA.

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