



## Week 6 Report

February 17, 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

On Tuesday, February 13<sup>th</sup>, the Legislature reached a milestone - the deadline to pass bills out of the house of origin! Lawmakers worked several late nights and over the weekend to pass as many bills as they could prior to cutoff.

Bills that did not meet that deadline are considered dead and ineligible to move forward this year unless considered *Necessary To Implement the Budget (NTIB)*. It is important to note, bills are never truly dead because their content can be amended into other legislation or rare procedural moves can occur to keep them alive. WPPA will refer to them as *considered unlikely to advance further*.

On Wednesday, February 14<sup>th</sup>, the focus of the Legislature shifted back to committees. Bills are again assigned to committees and have the same type of work sessions, public hearings, and debate as in the original chamber. The next legislative deadline is February 21<sup>st</sup> in which all bills must pass out of their policy committee to remain alive.

Our WPPA Legislative Committee also met on February 14<sup>th</sup> and received an in-depth update on the legislative action so far, much of which has been contained in these weekly reports. WPPA prepared mid-session status report on WPPA's approved 2024 Legislative Priorities which is attached to end of this report.

### AT A GLANCE

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

*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 & previous copies of our report, visit our website at: [washingtonports.org](http://washingtonports.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 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.).*

*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*

## **Revenue Forecast**

Four times a year, the Washington State Economic and Revenue Forecast Council adopts a bipartisan revenue forecast that is then used to build and adjust the state's biennial budgets. On February 14<sup>th</sup> lawmakers received good news that revenues are higher than anticipated, however the increase was nominal based on the scale of the budget. Overall, the forecast is up \$337 million over four years (2023-2025: +\$122 million; 2025-2027: +\$215 million) [Click here to read the full report including additional economic trends.](#)

## **Budgets**

Over the next several days, the House and Senate will begin to release their respective draft budgets. After budgets are released, they will immediately be scheduled for a public hearing and vote out of committee – typically within 24-48 hours. [Once released, all proposed budgets can be found here.](#) After each chamber votes on their respective budgets, negotiations between the House and Senate begin.

As a reminder, the three biennial budgets are:

The Operating Budget is a two-year plan that pays for the day-to-day operations of state government.

The Capital Budget is the state's construction budget, and typically includes investments to state and local agencies for building and infrastructure projects, such as public schools and universities, parks, prisons, etc.

The Transportation Budget pays for both day-to-day operations of state transportation agencies, the construction and preservation of state highways and roads, and public transportation. Most of the revenue that supports the transportation budget comes from the state gas tax.

*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.*

*\* 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.*

**WPPA Phone: 360.943.0760**

**Website: <https://www.washingtonports.org/>**

**Eric ffitch: [effitch@washingtonports.org](mailto:effitch@washingtonports.org)**

**Chris Herman: [cherman@washingtonports.org](mailto:cherman@washingtonports.org)**

**Carly Michiels: [cmichiels@washingtonports.org](mailto:cmichiels@washingtonports.org)**

**James Cockburn: [jcockburn@washingtonports.org](mailto:jcockburn@washingtonports.org)**

| <i>Budget</i><br><b>Bold = occurred</b>              | <i>Release Date</i> | <i>Public Hearing</i> | <i>Voted out of Committee</i> | <i>Approved by full Chamber</i> |
|--|---------------------|-----------------------|-------------------------------|---------------------------------|
| Senate Capital<br>( <a href="#">SB 5949</a> )        | <b>2/15</b>         | 2/15, 4pm             | 2/19, 4pm                     |                                 |
| Senate Operating<br>( <a href="#">SB 5950</a> )      | 2/18, 4pm           | 2/19, 4pm             | 2/21, 4pm                     |                                 |
| Senate Transportation<br>( <a href="#">SB 5947</a> ) | 2/20                | 2/21, 3pm             | 2/23, 1:30pm                  |                                 |
| House Capital<br>( <a href="#">HB 2089</a> )         | 2/19                | 2/20, 4pm             | 2/23, 4pm                     |                                 |
| House Operating<br>( <a href="#">HB 2140</a> )       | 2/19                | 2/19, 4pm             | 2/21, 4pm                     |                                 |
| House Transportation<br>( <a href="#">HB 2134</a> )  | 2/19                | 2/19, 4pm             | 2/21, 4pm                     |                                 |

Thus far, only the Senate Capital Budget has been released. Next week, WPPA will provide in-depth highlights of the three biennial budgets once we have had a chance to review all the proposals.

## **Aviation**

*SEA Airport Legislation:*

[SB 5955](#) would establish a Port District Equity Fund to support some of SEA Airport’s noise mitigation work. The bill, which was introduced by Senator Keiser (D-33rd LD, Des Moines) passed the Senate on February 13<sup>th</sup> by a vote of 49-0. It was referred to the House Local Government Committee where it is scheduled for a public hearing on February 20<sup>th</sup> and an executive session on February 21<sup>st</sup>. The Port of Seattle remains supportive of the legislation and WPPA will continue to monitor this legislation.

## **Broadband**

*CERB Rural Broadband Program:*

[HB 1982](#), sponsored by Rep. Waters (R-17<sup>th</sup> LD, Stevenson), would codify the Community Economic Revitalization Board’s (CERB) Rural Broadband Program and make it a permanent part of the board’s funding program. The bill passed the House unanimously and was referred to the Senate Business, Financial Services, Gaming & Trade Committee where it received a public hearing on February 15<sup>th</sup>. Thanks to Jennie Dickinson, Port of Columbia, Jennifer Wray-Keene, Port of Woodland, David Ripp, Port of Camas-Washougal and Wendy Smith, Port of Shelton for testifying in support of this legislation.

## Economic Development

### *Tax Increment Financing:*

[HB 2354](#), sponsored by Rep. Street (D-37<sup>th</sup> LD, Seattle), removed the “opt in” provision for junior taxing districts and instead makes technical changes to TIF including mandating pre-notification of junior taxing districts and enabling arbitration for fire and hospital districts when compromise on mitigation cannot be achieved. The bill passed the House on February 12<sup>th</sup>, and it was referred to the Senate Local Government, Land Use & Tribal Affairs Committee. A public hearing was held on February 15<sup>th</sup> and the bill is scheduled for executive session on February 20<sup>th</sup>. Additional technical modifications to the bill will likely be necessary if the bill continues to advance.

### *Promoting Economic Development Through Federal Funding:*

The Match Act ([HB 1870](#)), sponsored by Rep. Barnard (R-8<sup>th</sup> LD, Pasco), 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. The bill passed the House on February 13<sup>th</sup> and has been referred to the Senate Business, Financial Services, Gaming & Trade Committee where it has been scheduled for public hearing and executive session on February 20<sup>th</sup>.

### *ADO Innovation Grants:*

[HB 1717](#), would create an Innovation Grant program for Associate Development Organizations (ADOs) which would provide important new competitive funding for these economic development organizations. An amendment added a provision that no matching funds are required to participate in the program and also added certain reporting requirements. The bill has passed the House and is in Senate Ways & Means. WPPA will continue to support this important new tool for ADOs.

### *Nonresident Vessel Permit Lengths:*

[HB 1906](#), sponsored by Rep. Chapman (D-24<sup>th</sup> LD, Port Angeles) which would increase the allowable nonresident vessel length from 200 feet in length to 300 feet in length, continues to move forward in Olympia. WPPA supports the bill which would encourage more boats to cruise Washington's waters and allows for extended stays and services including deep maintenance and retrofitting in Washington's boatyards. WPPA worked with our partners from the Northwest Marine Trade Association to successfully get the bill pulled from Rules and onto the House floor, where it was approved unanimously on February 13<sup>th</sup>. The bill has now been scheduled for a public hearing in the Senate Transportation Committee on February 20<sup>th</sup> with possible executive session scheduled for February 22<sup>nd</sup>, and WPPA will testify in support at the House hearing.

*.09 Funding – Expanded Use for Affordable Workforce Housing:*

[HB 1987](#), sponsored by Rep. Low (R-39<sup>th</sup> LD, Marysville), would expand the eligible uses of .09 funds to include land acquisition for affordable workforce housing. WPPA has concerns with the bill. WPPA maintains that .09 funds are an ineffective tool to address affordable workforce housing because it does not raise enough funding to improve the stock of affordable workforce housing. The bill passed the House on February 12<sup>th</sup> and was referred to the Senate Local Government, Land Use & Tribal Affairs Committee where it received a public hearing on February 15<sup>th</sup>. It has been scheduled for executive session on February 20<sup>th</sup>.

*Renewing Washington's Engagement in International Affairs:*

[HB 2000](#), sponsored by Rep. Mena (D-29<sup>th</sup> LD, Tacoma), would broaden the state's existing international trade programs overseen by the Office of International Relations and Protocols. The bill was voted out of the House by a vote of 65-32 on February 9<sup>th</sup>. It was referred to the Senate Business, Financial Services, Gaming & Trade Committee where it received a public hearing on February 15<sup>th</sup> and is scheduled for executive session on February 20<sup>th</sup>. The Senate version, [SB 6168](#) is now considered unlikely to advance. WPPA supports these bills as they provide a meaningful update to the state's trade policy. Thanks to Jennie Dickinson, Port of Columbia, Jennifer Wray-Keene, Port of Woodland, David Ripp, Port of Camas-Washougal and Wendy Smith, Port of Shelton for testifying in support of this legislation.

## **Energy**

*Appeals Process for Environmental and Land Use Matters:*

[HB 2039](#), introduced by Rep. Fitzgibbon (D-34<sup>th</sup> LD, 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. The bill passed the House 64-33 on February 12<sup>th</sup> and was referred to the Senate Environment, Energy & Technology Committee where it received a public hearing on February 16<sup>th</sup>. WPPA remains in support of this bill and the effort make the energy siting process more efficient.

*PSE Phasing Out of Natural Gas:*

[HB 1589](#) is PSE's bill aimed at easing out of the natural gas business. The [House substitute amendment](#), removed some of the more controversial elements of the bill including removing language that would have allowed PSE to stop connecting new gas customers and a market share carve-out on ownership of renewables. The bill does not call for discontinuing service to current natural gas customers. The House approved the bill 52-45, and it began its process in the Senate. The Senate Environment, Energy, &

Technology Committee held a public hearing on January 31<sup>st</sup> and in the executive session on February 16<sup>th</sup> approved the bill with a [striking amendment](#) with significant changes based on stakeholder input. Some of the changes include exemptions for natural gas-powered backup generators and consideration of benefits for highly impacted communities.

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

[SB 6058/HB 2201](#), introduced by Sen. Nguyen (D-34<sup>th</sup> LD, White Center) and Rep. Doglio (D-22<sup>nd</sup> LD, Olympia), would allow the Department of Ecology to pursue linking the state’s carbon market with California and Québec. Both Senate and House policy committees approved the bill with an amendment to address some technical issues and allow Bonneville Power Administration (BPA) to opt-in to the program. The bill passed the Senate 29-20 on February 12<sup>th</sup>. The bill was referred to the House Environment & Energy Committee where it is scheduled to receive a public hearing on February 19<sup>th</sup> and scheduled for executive session on February 20<sup>th</sup>. The Senate bill will not be the vehicle for this policy. WPPA has been monitoring this process as Ecology will have to undertake rulemaking if this is approved.

#### *Tax Incentives for Energy Storage:*

[SB 6303](#), introduced by Sen. Nguyen (D-34<sup>th</sup> LD, White Center) provides tax preferences to attract and advance clean energy technology development in Washington. The bill incentivizes energy storage systems and manufacturers of component parts by offering a preferential business and occupation tax rate and establishes a credit against the tax. WPPA is supporting the bill in our advocacy for a holistic approach to Washington’s clean energy transition. The bill has been scheduled for a public hearing on February 20<sup>th</sup> and has been deemed NTIB and is therefore not subject to cutoff deadlines.

#### *Tax Preferences for Clean Energy Manufacturers:*

[HB 2120](#), introduced by Rep. Barnard (R-8<sup>th</sup> LD, Pasco) allows cities using the targeted urban area tax preferences to extend additional time to nuclear manufacturing facilities to attract and retain clean energy manufacturers. This bill is being supported by the City of Richland and the language is broad enough to apply to other areas in the state. The bill passed the House 94-1 and is scheduled for a public hearing in the Senate Environment, Energy & Technology Committee on February 20<sup>th</sup>.

## **Environmental & Natural Resources**

#### *Petroleum Product Supply and Pricing:*

At the request of Governor Inslee, the Chairs of the House and Senate Environment Committees brought legislation ([SB 6052](#)/[HB 2232](#)) that is intended to collect information on petroleum product supply, transportation, distribution, and pricing from point of entry to pump. WPPA worked with the bill sponsor and Governor’s office to secure an amendment that clarified that port districts would not be required to report on products moving through their facilities. Neither bill passed its house of origin

prior to the February 13<sup>th</sup> cutoff date, so they face an uphill path if they are to continue advancing. But given this is a priority for the Governor and the Senate Energy Committee Chair, we will continue to monitor its progress for potential inclusion in the Senate and House supplemental budget proposals.

*Model Toxics Control Act (MTCA):*

When the State Legislature adopted the 2023-25 biennial operating budget last April, they included a transfer of \$50 million from the MTCA operating account to the state's general fund for fiscal year 2025. WPPA and a coalition of organizations are requesting restoration of the \$50 million in the General Fund for environmental programs and putting the \$50 million back in the MTCA operating account to be used for its intended purpose. We continue to advocate for this important budget change and will be looking for its inclusion in the House and Senate supplemental operating budget proposals next week.

*Safer Products for WA – 6PPD:*

[SB 5931](#), introduced by Sen. Salomon (D-32<sup>nd</sup> LD, Shoreline) would identify the chemical 6PPD as a priority chemical and expedites that process. As the bill has advanced, it was amended to remove the timeline and includes new definitions. WPPA has been monitoring this process due to a lack of available alternatives, ongoing research and studies relating to the chemical, and Ecology will have to undertake rulemaking if this is approved. The bill passed the Senate 40-9 on February 5<sup>th</sup>. The House Environment & Energy Committee held a public hearing on February 14<sup>th</sup> and approved the bill on February 15<sup>th</sup>. It has not yet been referred to the Rules Committee or scheduled for a House Floor vote.

## **Governance**

*Public Comments – Technical Changes:*

WPPA continues to monitor [HB 1105](#), a bill that was introduced by Rep. Kloba ( D-1st LD, Kirkland) that would require a public agency that solicits public comment to include the last date by which such public comment may be submitted. This legislation passed the House on a 98-0 vote. The bill had a public hearing in the Senate State Government & Elections Committee earlier in January and is scheduled for executive session on February 20<sup>th</sup>.

*Even-Numbered Year Elections:*

Legislation ([HB 1932](#)) sponsored by Rep. Gregerson's (D-33<sup>rd</sup> LD, SeaTac) would permit cities, towns, and some limited purpose governments to hold their elections in even-numbered years. The bill, which provides the option to switch to even-year elections but not require it, passed the House on February 8<sup>th</sup> by a vote of 52-45. It received a public hearing in the Senate State Government & Elections Committee on February 16<sup>th</sup>. WPPA will continue to monitor this bill as it advances.

*Including Ports/Others into the Intrastate Mutual Aid System:*

[HB 1978](#) would make port districts and other special purpose districts eligible partners of the Intrastate Mutual Aid System. This bill is agency request legislation for the State Military Department and was introduced by Rep. Rule (D-42<sup>nd</sup> LD, Blaine) WPPA supports this bill which passed the House unanimously on February 6<sup>th</sup>. It received a public hearing in the Senate State Government & Elections Committee on February 15<sup>th</sup> and is scheduled for executive session on February 20<sup>th</sup>.

*State Public Infrastructure Assistance Program:*

[HB 2020](#) which would establish a public infrastructure assistance program was introduced by Rep. Timmons (D-42<sup>nd</sup> LD, Bellingham). 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 was approved by the House unanimously on February 9<sup>th</sup>. It received a public hearing in the Senate State Government & Elections Committee on February 16<sup>th</sup>.

## **Labor & Workforce**

*Crane Safety:*

[HB 2022](#), which aims to increase the safety of the installation and removal of construction cranes, continues to move forward this session. As the bill advanced, it was amended to include language to ensure cranes in operation at port terminals are excluded from the legislation. The bill was approved on Friday, February 9<sup>th</sup> by a 77-20 vote. On February 15<sup>th</sup> it was voted out of the Senate Labor & Commerce Committee.

*Public Works – Prompter Pay:*

[SB 6040](#), sponsored by Sen. Valdez (D-46<sup>th</sup> LD, Seattle) aims to encourage the adoption of policies and procedures that support paying subcontractors sooner after completion of work as a means to remove barriers that encumber small, women, minority and veteran owned businesses. Unfortunately, as introduced, WPPA testified with concerns that the bill would have the opposite effect. The amended bill continues to use non-typical language that may not meet this underlying legislation's intent. As it stands now, the bill appears to not apply to local public owners instead, focusing on contractors to pay more promptly. The bill passed the Senate 34-15 on February 13<sup>th</sup>. It was referred to the House Capital Budget Committee and has yet to be scheduled for a hearing.

*Unemployment Benefits for Striking Workers:*

[HB 1893](#), sponsored by Rep. Doglio (D-22<sup>nd</sup> LD, Olympia) 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. HB 1893 passed the House with a vote of 53-44 in the early morning hours of February 13<sup>th</sup>. Several floor amendments were adopted, including a cap on benefits for striking workers at four weeks; a requirement for the repayment of benefits if employees receive retroactive pay; and clarification that benefits are paid by most recent employer, not socialized by the UI trust fund. Additionally, the bill was amended to state that unemployment insurance benefits may not be paid to striking workers if the strike is prohibited by federal law, state law, or court order. The amended bill received a public hearing in the Senate Labor & Commerce Committee on February 15<sup>th</sup> and is scheduled for executive session on February 19<sup>th</sup>.

## Transportation

### *Port Supply Chain Competitive Infrastructure Program:*

[SB 6302](#) establishes the Port Competitiveness Infrastructure Program. The bill is sponsored by Sen. Liias (D-21<sup>st</sup> LD, Edmonds) and Sen. King (R-14<sup>th</sup> LD, Yakima) and would establish a grant and loan program designed to fund port or port-adjacent projects that specifically address bottlenecks and barriers to an efficiently operating supply chain. These projects are often challenging to fund through existing programs but impede Washington's competitiveness and our trade-driven economy. This program is designed to be flexible by enabling infrastructure investments in the many diverse needs that ports have, including in-water, dredging, high-wide-heavy corridor compliance and much more. Despite his interest in helping establish a program this year, Sen Liias has conveyed that this year's supplemental transportation budget would not support any project funding this year, giving us the opportunity to stand up the program and prepare to work on funding it in 2025. The bill passed the Senate unanimously and is scheduled for a public hearing in the House Transportation Committee on February 22<sup>nd</sup>. Please contact Chris Herman if you are interested in testifying on this bill.

### *Shortline Freight Rail Modernization:*

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. [HB 1371](#), sponsored by Rep. Barkis (R-2<sup>nd</sup> LD, Olympia) passed the House and was referred to the Senate. Business, Financial Services, Gaming & Trade Committee where it was passed out of executive session on February 15<sup>th</sup>. The companion bill, [SB 5494](#) did receive a hearing in Senate Ways & Means on February 15<sup>th</sup>. HB 1371 is expected to be the bill moving forward.

### *Transportation Electrification Strategy – Implementing Legislation:*

[SB 6304](#) was introduced by Sen. Liias (D-21<sup>st</sup> LD, Edmonds) and Sen. Nguyen (D-34<sup>th</sup> LD, White Center) to implement certain recommendations of the transportation electrification strategy (TES). The TES was a lengthy process that WPPA participated in, and the [final published version](#) was sent to the legislature earlier this month. The bill included a Medium-Heavy-Duty vehicle idling prevention provision among many other items. After numerous stakeholder conversations that WPPA was a part of, and a productive meeting with Sen. Liias, an amendment was introduced. However, it does not appear like the bill in this

form will move forward this session. We will continue to be a part of the conversations relating to transportation electrification and monitor certain provisions in the bill for potential inclusion in the Senate and House supplemental budget proposals.

## **Tourism**

WPPA continues to support two bills that make modest changes to the state's tourism marketing authority and its governing statute.

[SB 6080/HB 1896](#): The Senate version passed on February 8<sup>th</sup> and received a public hearing in the House Appropriations Committee on February 15<sup>th</sup> and is scheduled for executive session on February 22<sup>nd</sup>. The House version is now considered unlikely to advance.

[HB 2137/ SB 6202](#): The House version passed unanimously on February 8<sup>th</sup> and it received a public hearing on February 12<sup>th</sup> was passed out of executive session on February 15<sup>th</sup>. The Senate version is now considered unlikely to advance.

### **Bills WPPA was Monitoring that are Unlikely to Advance This Session:**

[SB 6114](#) Sustainable Aviation Fuel

[SB 6304](#) Transportation Electrification Strategy

[HB 2313](#) Digital Equity



# WASHINGTON PUBLIC PORTS ASSOCIATION 2024 LEGISLATIVE PRIORITIES MID-SESSION REPORT

## AVIATION

### Accelerating the Transition Away from Leaded Aviation Fuel

WPPA is championing a “West Coast First” strategy to transition away from the use of leaded avgas in GA aircraft. WPPA opposed [HB 1554](#) but that bill has not advanced this year. [HB 2393](#) was introduced to create incentives to accelerate the transition to an unleaded alternative, but the bill has also not advanced.

## BROADBAND

### Codify CERB Broadband Program

[HB 1982](#) would codify the Community Economic Revitalization Board (CERB) Rural Broadband Program found in RCW 43.160. The bill is alive, having passed the House unanimously.

## ECONOMIC DEVELOPMENT

### Energy Supply & Grid Resiliency

WPPA continues to advocate for a holistic approach to Washington’s clean energy transition that focuses on improving energy permitting, investing in critical electrification infrastructure, incentivizing technology development, and assistance for emission reduction planning. WPPA supports [HB 2039](#) which passed the House and will improve the appeals process for clean energy siting. [HB 2417](#) did not advance this year, but WPPA supported the effort to create a renewable energy loan program.

### ADO Grant Funding

[HB 1717](#) establishing the Associate Development Organizations (ADO) Innovation Grant Funding has advanced all the way to the Senate Ways & Means Committee. Increasing funding for ADO’s by providing \$10 million annually for a competitive grant program will also require a budget element which will be released on 2/19.

### Removing Barriers to Economic Development

Several different legislative efforts designed to overcome burdens to better economic development are being considered this session. [HB 1912/SB 5817](#) would have required better sharing of data between state agencies to assist local economic development organizations in developing effective programs. Neither bill has advanced. [HB 1870](#), The Match Act, increases the capacity at the Washington Department of Commerce to assist local governments in successful grant applications. This bill has passed the House unanimously.

### Tax Increment Financing

Fire Districts concerns about the impact of tax increment law will have on those districts capacity to responds to service needs resulting from the new development. [HB 2354/SB 6230](#) originally created an opt-in for all junior taxing districts. [HB 2354](#) has been amended to provide more certainty around notification prior to the establishment of an increment area and allows for the use mediation<sup>2</sup> where agreement on impacts has not occurred. Several ports, along with cities and counties have begun advancing projects under the new TIF authority and several ports are preparing to implement TIF in 2024. A study was considered as part of [HB 2354](#) but deemed premature by the Office of the State Treasurer. WPPA supports [HB 2354](#) in its current form. The bill advanced out of the House 97-1. [SB 6230](#) has not advanced this year.

## **Tourism is Economic Development**

WPPA is supporting [SB 6080/HB 1896](#), legislation to simplify the funding of our state's tourism marketing authority by removing a requirement in statute that the Legislature deposit funds in the tourism marketing account each biennium. This has been brought forward by our partners in the tourism advocacy industry, and so far has not encountered any opposition.

## **ENVIRONMENT**

### **Budget initiative: Model Toxics Control Act Funding – Support Existing Levels**

#### **Clean Energy Siting**

WPPA supports [HB 2039](#), which modifies the appeals process by increasing expediency and allowing for consolidation of appeals. This bill is a step in the right direction to improve the energy siting process and will surely show progress in certain project cases. WPPA will continue to work on this with the bill author and seek additional efficiencies in this process as more can be done to responsibly permit these important projects.

#### **Climate Commitment Act - Energy Intensive Trade Exposed (EITE) Exemptions for Agriculture & Maritime**

The Climate Commitment Act (CCA) took effect on January 1 and has raised over \$1.4 billion in the first four auctions held to date. Two sectors highlighted in the legislation that were supposed to be exempt have been impacted by the CCA, agriculture and maritime fuels.

#### **Petroleum Supply and Pricing**

There were a few bills introduced this session relating to petroleum pricing, the carbon market, and data collection aimed at providing state agencies more information to better understand the market and stabilize pricing. One of those bills was [SB 6052](#) relating to petroleum products which was in the Governor's proposed budget and did not advance this year.

#### **Port Decarbonization Funding**

In the 2023-25 budget \$26.5 million was dedicated for a port decarbonization grant program. In his 2024 Supplemental Budget, the Governor proposes reducing that grant program by \$10 million and dedicating those funds for the Puyallup tribal port electrification project.

## **GOVERNANCE**

#### **Public Records Act**

WPPA is still engaged in discussions with local government partners and interested stakeholders to exploring modest amendments to the Public Records Act which seek to limit frivolous requests that are not made in the spirit of open and transparent government. Several bills related to the Public Records Act failed to advance this session.

## **PUBLIC WORKS**

#### **Apprenticeship Utilization in Public Works**

A bill requiring all local governments to incorporate the use of apprentices on all public works with a cost over \$2M was passed by the legislature in 2023. While interim work is occurring to prepare for implementation in the summer of 2024, additional legislation is being considered. WPPA will support legislation that removes barriers to creating or improving apprenticeship programs or otherwise builds workforce capability. [HB 2087](#), a bill designed to speed up adoption of new apprenticeship programs by reforming the appeals process, received a hearing but ultimately failed to advance.

## TRANSPORTATION

### Railroad Infrastructure Modernization Tax Credit

Legislation designed to incentivize maintenance, preservation and new investment in rail infrastructure was introduced in 2023 but did not pass. For ports, tax preferences to exempt sales and use tax for Class III owners and operators investing in rail infrastructure as well as exemptions for new industrial rail development are critical. [HB 1371](#) received a unanimous vote in the House while [SB 5494](#), necessary to implement the budget, continues to advance in the Senate as well.

### Supply Chain Competitiveness Infrastructure Grant/Loan Program

The Supply Chain Competitiveness Infrastructure Grant Program, [SB 6302](#) was introduced, heard and voted unanimously off the Senate Floor. The bill established a new grant/loan program dedicated to fund port and port-adjacent projects that help improve Washington's trade competitiveness. The bill instructs WSDOT and Commerce to work together with supply chain interests to develop program criteria and project evaluation metrics in the hopes of securing funding in the next biennium.

## 2024 SUPPLEMENTAL BUDGET PRIORITIES

### Operating Budget

- **Model Toxics Control Act (MTCA)**: Last session, the Legislature adopted a transfer of \$50 million from the MTCA operating account to the general fund for 2025. WPPA testified and sent a coalition letter to budget leaders requesting a removal of the \$50 million transfer and to restore funding to support the intended purpose for important cleanup projects.
- **Innovation Cluster Accelerator Program (ICAP)**: WPPA supports the \$2.6 million in the Governor's proposal for the Department of Commerce's ICAP, where port partners drive progress on green energy technology innovations and in other key areas of the economy.
- **Offshore Wind Supply Chain**: WPPA supports the Governor's proposed investment of \$750,000 for the Department of Commerce to do a technical analysis of Washington's potential to engage in the offshore wind supply chain. Additionally, \$338,000 is provided to the Department of Ecology to start planning for effective ocean management and offshore wind energy development.
- **Assistance for Energy and Innovation Support**: WPPA supports the Governor's proposed grant programs that ports would be eligible for direct assistance to access greater opportunities in the energy, climate, and clean technology sectors. \$3.8 million to assist in access to federal tax incentives and \$8.1 million to assist in federal grant application writing and reporting.
- **Seattle Jobs Initiative-Entry Level Assistance**: \$200,000 for the Seattle Jobs Initiative to provide entry-level assistance, including training and wrap-around support services for those in training to become Ordinary Seamen or pursue other maritime employment in and around our member ports.

### Capital Budget

WPPA submitted letters of support for Capital Budget funding for a commercial pumpout facility in Bellingham, an airport expansion study in Bremerton, a commerce development center in Camas-Washougal, a portwalk and seawall restoration project in Edmonds, a granary expansion in Skagit, design and engineering funding for a marketplace in Vancouver, a pier and dock project in Hoodspout, and building renovation funding in Wahkiakum.

- **Broadband – Pre-development Technical Support**: WPPA supports the Governor's proposal of \$5 million annually to stand up resources designed to support planning, development and deployment of local broadband infrastructure including exploration of a public retail internet service option for communities that lack competitive ISP's.
- **State Funding for the Federal BEAD Program**: The state will receive \$1.2 billion through the federal Broadband Equity, Access, and Deployment (BEAD) Program. In order to maximize these federal funds,

the state appropriated \$200 million during the last session and has proposed for an additional \$100 million be appropriated next biennium.

- **Green Jobs and Infrastructure:** WPPA supports the Governor’s proposed investment of \$136.5 million (CCA) for grants to help communities address climate change and meet their energy and climate regulatory requirements. Ports would be eligible under this initiative.
- **Clean Energy Community Decarbonization:** WPPA supports the Governor’s proposed investment of \$100 million (CCA) in noncompetitive grants for planning, design, and implementation of capital projects and clean energy technologies that reduce greenhouse gas emissions. Ports would be eligible under this initiative.

### **Transportation Budget**

- **Finish What We Started and Fully Fund Transportation Projects:** Despite the passage of Move Ahead Washington, the state is not allocating enough resources to complete important transportation projects. Cost escalation is compounding the problem of underfunding and putting our transportation system at risk. Ports encourage decision makers to increase funding for road preservation, the state ferry system, and to keep critical legacy transportation projects like the Interstate Bridge Replacement and Puget Sound Gateway on time and on budget.
- **Maritime Workforce:** WPPA supports the Governor’s proposal for an additional \$20 million to the Puget Sound Ferry Operations Account to recruit and retain qualified maritime workers outside of the Washington ferries system to become qualified mates in the state.

## OTHER EMERGING ISSUES

### **Aviation**

|                            |                           |              |          |
|----------------------------|---------------------------|--------------|----------|
| <a href="#">SSB 6114</a>   | Sustainable aviation fuel | S Rules 2    | Concerns |
| <a href="#">E2SSB 5955</a> | Large port districts      | S Passed 3rd | Neutral  |

### **Broadband**

|                           |                          |                   |         |
|---------------------------|--------------------------|-------------------|---------|
| <a href="#">HB 1982</a>   | Broadband loans & grants | S Business, Fin S | Support |
| <a href="#">2SHB 2313</a> | Digital equity           | H 2nd Reading     | Support |

### **Economic Development**

|                            |                              |                   |             |
|----------------------------|------------------------------|-------------------|-------------|
| <a href="#">HB 1978</a>    | Intrastate mutual aid system | S State Govt & EI | Support     |
| <a href="#">HB 1987</a>    | Public facilities tax use    | H Passed 3rd      | Concerns    |
| <a href="#">E2SHB 2000</a> | International leadership     | S Business, Fin S | Support     |
| <a href="#">E2SHB 2354</a> | Tax increment areas          | H Passed 3rd      | No position |
| <a href="#">SSB 6168</a>   | International leadership     | S Rules 2         | Support     |
| <a href="#">SSB 6302</a>   | Supply chain competitiveness | S Passed 3rd      | Support     |
| <a href="#">ESHB 1906</a>  | Vessel length/nonresident    | H Passed 3rd      | Support     |
| <a href="#">HB 2120</a>    | Clean energy manufacturers   | S Environment, En | Support     |
| <a href="#">SB 6202</a>    | Tourism promotion exemptions | H Local Govt      | Support     |

### **Energy**

|                           |                            |                   |         |
|---------------------------|----------------------------|-------------------|---------|
| <a href="#">ESHB 1589</a> | Clean energy               | S Environment, En | Neutral |
| <a href="#">SHB 2069</a>  | Biogenic carbon dioxide    | H Passed 3rd      | Neutral |
| <a href="#">HB 2120</a>   | Clean energy manufacturers | S Environment, En | Support |

**Environment**

|                           |                              |                   |                       |
|---------------------------|------------------------------|-------------------|-----------------------|
| <a href="#">SSB 6304</a>  | Transp. electrification      | S 2nd Reading     | Not likely to advance |
| <a href="#">HB 2074</a>   | Landowner's lessee/penalties | S Ag/Water/Natura | Support               |
| <a href="#">2SHB 2201</a> | Carbon market linkage        | H 2nd Reading     | Neutral               |
| <a href="#">ESHB 2207</a> | Solid waste dumping          | H Passed 3rd      | Neutral               |
| <a href="#">SSB 5931</a>  | Motorized vehicle tires/6PPD | H Env & Energy    | Neutral               |

**Governance**

|                          |                              |                   |         |
|--------------------------|------------------------------|-------------------|---------|
| <a href="#">SHB 2020</a> | Public infra. assistance prg | S State Govt & EI | Support |
|--------------------------|------------------------------|-------------------|---------|

**Labor**

|                           |                              |              |             |
|---------------------------|------------------------------|--------------|-------------|
| <a href="#">ESHB 1893</a> | Unemp ins/strikes & lockouts | H Passed 3rd | No position |
|---------------------------|------------------------------|--------------|-------------|

**Marina**

|                          |                             |              |         |
|--------------------------|-----------------------------|--------------|---------|
| <a href="#">SHB 1919</a> | Private moorage/abandonment | H Passed 3rd | Support |
|--------------------------|-----------------------------|--------------|---------|

**Public Works**

|                           |                              |              |          |
|---------------------------|------------------------------|--------------|----------|
| <a href="#">ESSB 6040</a> | Public works payments        | S Passed 3rd | Neutral  |
| <a href="#">SSB 6192</a>  | Construction change orders   | S Passed 3rd | Neutral  |
| <a href="#">ESB 6167</a>  | Local government procurement | S Passed 3rd | Concerns |

**Transportation**

|                            |                         |                   |         |
|----------------------------|-------------------------|-------------------|---------|
| <a href="#">2ESHB 1371</a> | Freight railroad infra. | S Business, Fin S | Support |
| <a href="#">SSJM 8009</a>  | Harbor maintenance tax  | H Finance         | Support |

**Workforce**

|                           |                              |                |         |
|---------------------------|------------------------------|----------------|---------|
| <a href="#">2SHB 2022</a> | Construction crane safety    | S Labor & Comm | Neutral |
| <a href="#">ESHB 2236</a> | Tech. ed. core plus programs | H Passed 3rd   | Neutral |