



Week 8 Report

March 3, 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](#).

**** ACTION ALERT ****

The House of Origin cutoff is Wednesday March 8th and a handful of WPPA priorities remain in the House Rules Committee which is the final step prior to a bill being heard and voted on by their respective chambers. Please consider contacting your Representatives if any of the following bills are important to your port district. Your simple ask would be to please pull the following bills from the Rules Committee and place them on the House Floor Calendar.

[HB 1527](#) – Tax Increment Financing Technical Corrections

[HB 1371](#) - Improving Freight Rail Infrastructure

[HB 1663](#) – Unified Port Levy (***Sunday morning update – Pulled to Floor Calendar***)

(NOTE: With the House of Representatives working into the early morning hours of Saturday and Sunday, the below Legislative Report has been updated to reflect weekend action on the House Floor)

INTRODUCTION

As evidenced by the Action Alert that kicks off this week's Legislative Report, the past week and the coming week are the apex of the 2023 Legislative Session calendar. Not only did Thursday, March 2nd mark the official halfway point of session – Day 53! - the coming week brings with it the House of Origin cutoff, and the deadline that sees the greatest number of bills die. Amidst this chaos, our WPPA Leg Committee comes together this coming Friday to survey the state of play in Olympia and take stock of our progress on WPPA priority bills, what works needs to be done, the coming budget negotiations, and more.

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

NEXT WEEK'S HEARINGS

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

Thursday, March 9th

8:00 am H Enviro & Energy: [SB 5287](#)

Concerning a study on the recycling of wind turbine blades

4:00 pm S Ways & Means: [SSB 5091](#)

Creating and expanding tax incentives for the research, development, production, and sale of hydrogen fuel products in Washington state

Friday, March 10th

10:30 am H Ag & Natural Resources: [SB](#)

[5192](#) Authorizing administrative law judges to substitute for pollution control hearings board members in deciding derelict vessel appeals.

10:30 am H Innovation, Community, & Econ.

Dev.: [SSB 5229](#) Accelerating rural job growth and 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.

Next week, look for our report to include some hard statistics on what cutoff meant to the progress of not just WPPA bills, but all legislation generally. We will share numbers on bills introduced, bills advancing, bills lost, and how our priorities fit into that picture.

One point of interest in the past week, and one that will have a major bearing on upcoming budget negotiations: the first carbon credit auction under the state's recently -enacted Cap and Trade program. On Tuesday, February 28th, the State Department of Ecology held the first auction of compliance credits that "covered entities" - subject to the carbon caps put in place by the 2021 Climate Commitment Act - must purchase. By March 7th, we will know what the cost of a credit is, how many were sold, and what amount of funding will be available for the investments allowed by the bill, including shorepower and other port decarbonization projects.

Aviation

Low Lead Aviation Gas

[HB 1554](#) has been the subject of intense work with the bill sponsor this week as interested stakeholders look for ways to modify the bill. WPPA continues to oppose the bill as it creates new undefined requirements for airport operators but also includes civil penalties if operators are deemed out of compliance. The bill has been amended as it previously included an outright ban on the sale and distribution of 100 low lead. The bill as it remains could have impacts on entitlement funding airports receive from the FAA. WPPA continues to work with other airport interests and has been in contact with our federal delegation on meaningful ways to advance the development of no-lead fuel alternatives through FAA Reauthorization later this year.

Commercial Aviation Coordinating Commission

[HB 1791](#) remained in the House Rules Committee even after a weekend of action. The bill would decommission the Commercial Aviation Coordinating Commission and turn it into a codified work group, specifically removing the goal of recommending one specific site for further development into a commercial service airport. WPPA supports this legislation, recognizing it balances the legislative interest in slowing the process down without a complete ground stop.

Sustainable Aviation Fuel

Senate Majority Leader Andy Billig's Alternative Jet Fuel tax incentive bill passed the Senate on Wednesday, March 1st, by a vote of 46-2. The bill, which WPPA supports, proposes tax incentives and other policy changes to attract Alternative Jet Fuel producers to Washington, and also features a tax break for airlines that use the fuel. This bill now moves to the House Environment and Energy Committee, where it's scheduled for a hearing on Thursday, March 9th. WPPA will work with the coalition of supporters to determine an approach to testimony, and if your port is interested in this issue and would like to share your support with the Committee, please reach out to WPPA staff.

Boating & Marina

Derelict Structures

DNR's request legislation streamlining derelict structure removal and creating nearshore credits to facilitate the process remains in limbo as cutoff approaches. It now appears that Senator Muzzall's version, [SB 5433](#), will be the vehicle if this issue advances. His bill includes the amendments that WPPA worked with DNR, and remains legislation that our Association can support. Senator Muzzall's bill is on the Floor Calendar and is eligible to advance at any time. The companion, [HB 1378](#), is still in House Rules Committee.

Derelict Vessels

[SHB 1753](#) passed out of the House and has been

referred to the Senate Agriculture, Water, Natural Resources and Parks Committee. This measure streamlines the derelict vessel removal process by allowing email notification to vessel owners and decreasing the notification timeline prior to taking custody. WPPA supports the bill and will communicate our support to members when it is scheduled for a hearing.

[SB 5192](#) is scheduled for public hearing in the House Committee on Agriculture and Natural Resources at 10:30 AM on March 10th. This bill authorizes administrative law judges to supplement the three members of the Pollution Control Hearings Board (PCHB) in order to expedite the appeal process prior to removal of derelict vessels. WPPA will support [SB 5192](#) when it is considered in a public hearing on Friday, March 10th

Broadband

WPPA supports [HB 1746](#) which directs the State Broadband Office to use the most current version of the national broadband map as the basis for a state broadband map. A well-developed map could be a critical tool in helping the state inform where federal funding should be deployed and deter frivolous challenges to broadband projects through better access to data. The bill was moved to the House Floor Calendar on Friday, and on Saturday it passed the House by a 95-1 vote.

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 Promotion Legislation and Budget Ask

Legislation to promote Washington state tourism took a big step forward this week, with [HB 1258](#) moving off the House floor on a unanimous vote, 96-0. WPPA continues to support the bill, and we host a semi-weekly lunch with tourism stakeholders in our offices. We are grateful to members ports who have done some proactive outreach to their legislators on this, and we will engage you more as the bill advances through the Senate. If you are interested in providing testimony on behalf of your port district, once the bill is scheduled for a hearing, please contact WPPA. In addition, there will be budget advocacy, as this legislation includes a substantial appropriation that will need to be included in the Biennial Operating Budget.

Site Readiness

WPPA supported 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 (\$50,000) on how much the board can award to planning grants. [SB 5229](#) received a unanimous vote by the Senate earlier this week [HB 1231](#) remains in the House Rules Committee.

Tax Increment Financing – Technical Corrections

[HB 1527](#) is a port priority bill that makes technical corrections to the Tax Increment Financing statute. The bill represent agreement by port districts on the necessary changes to TIF statute that are needed to keep existing projects, including the Port of Vancouver’s Terminal 1 project, moving forward. Thanks to all who contacted their Representatives asking that this bill be moved out of the Rules Committee. On Saturday, [HB 1527](#) was added to the House Floor Calendar. But now, with just three working days till cutoff, **please reach out to your delegation to share support for [HB 1527](#) and ask that it be scheduled for a floor vote before Wednesday, March 8th.**

ADO Innovation Grants

[HB 1717](#) was moved to the floor calendar on Friday while [SB 5379](#) remained in the Senate Rules Committee. The bills seek to create an Innovation Grant program for Associate Development Organizations (ADO’s) which would provide important new funding for these economic development tools. WPPA supports this legislation, and on Saturday, March 4th, the House passed [HB 1717](#) by a vote of 90-6. Strong bipartisan support reflects engagement from voices around the state, including our port members.

Energy

Support for Hydrogen

[SB 5091](#) is scheduled for public hearing in the Senate Committee on Ways & Means at 4:00 PM on March 9th. The bill creates and expands tax incentives for hydrogen fuel cells. The companion [HB 1729](#) remains in the House Finance Committee. Both measures could be considered Necessary to Implement the Budget and therefore are exempt from cutoffs. WPPA supports both proposals.

Support for Nuclear

[SHB 1584](#) passed the House by a vote of 91-6 and is scheduled to be heard in the Senate Committee on Environment, Energy & Technology at 8:00 AM on March 10th. The near companion [SB 5129](#) is in Senate Rules. These bills would add advanced nuclear technology as a guiding principle for the development of the State Energy Strategy as a clean energy source. Additionally, the Department of Commerce is directed to actively seek to maximize federal and other nonstate funding and support for the management of spent nuclear fuel. One change to note is an amendment to [HB 1584](#) which removes the references to natural gas in the guiding principle for the State Energy Strategy. This change does not affect current natural gas use; however, it does appear to be a nod to the state’s direction of wanting to phase out its use over time.

Environment And Natural Resources

Clean Energy Siting

[SSHB 1216](#), Governor Inslee's request legislation seeking to streamline the permitting and siting of clean energy facilities, was debated and passed off the House Floor by a vote of 75-20 on Saturday, March 4th. Some amendments adopted during debate addressed issues raised by WPPA members, including some local government concerns, and the need to include additional types of projects in the preferred permitting path allowed by the bill. WPPA will continue working with sponsors and other stakeholders to address remaining issues identified by our members. While we support the progress to date, we are developing specific amendment requests focused on port district priorities. Please reach out to WPPA staff if you'd like to join a conversation this week about potential changes. We are convening a meeting of WPPA members and associate members on Monday afternoon.

Ecosystem Services and Management of State Forest Land

State Rep. Kristine Reeves' proposal to give DNR authority to enter state trust lands into ecosystem contracts lasting up to 125 years, rather than pursue sustainable harvest on those lands, remains a concern for WPPA and was the subject of many hallway conversations this week. WPPA staff and contract lobbyists continue to talk with legislators and other stakeholders who are working the bill, emphasizing our association's main concerns: (a) potential for reduced revenues coming to ports from timber sales on DNR lands, and (b) viability of mills and paper products manufacturers in Washington, some of which are port tenants and port export partners. We are gathering a group of ports on Monday, March 6th to discuss strategy for further engagement. If you are interested in joining that conversation, please contact WPPA staff.

Governance

Authority of Cargo and Passenger Ports

Legislation brought forward by WPPA and member ports – regarding antitrust immunity and our ability to meet at the Northwest Marine Terminals Association – received a unanimous vote out of the House on Tuesday, February 28th. 97-0 is a good demonstration of the work done by member ports to emphasize the importance of this bill with their legislative delegations, but there is more work ahead. The bill has been referred to the Senate Transportation Committee, and WPPA staff have already been in touch with that committee's leadership to share background on the bill. In the coming week, we will pursue meetings with committee members, and coordinate outreach from member ports as well. Please reach out to WPPA if you'd like to help with this effort.

Unified Tax Levy for Port Districts

As noted above, [HB 1663](#) was moved from the House Rules Committee to the House Floor Calendar on Saturday evening, but still needs a floor vote before Wednesday, March 8th. This bill, would allow "functionally consolidated" port districts to adopt a unified levy. The bill is permissive, meaning the new authority would only impact port districts that have chosen to consolidate their operations and that choose to pursue a unified levy. Please consider supporting Chelan-Douglas Regional Port Authority (CDRPA) and ask your delegation for a Floor Vote on [HB 1663](#).

Prejudgment Interest

[SB 5059](#), which would allow interests for judgements against public agencies to start to accrue before a claim was filed appears to be dead for the 2023 Session. WPPA along with 50 other entities signed-in and testified in opposition of the bill during the most recent public hearing. During the voice vote out of committee, it appeared to garner a majority support however lost support during the official act of signing the "board" to refer it to Rules.

Periodic Adjustments

[HB 1254](#) is a technical bill that would update the current value of surplus property a port district may sell without a port commission resolution. The amount would increase from \$10,000 to \$22,000 to reflect 10 years of inflationary growth. On March 1, the bill was unanimously voted out of the House! This bill will now proceed to the Senate for further consideration. WPPA supports this bill.

Labor

Prevailing Wage

[SB 5726](#) advanced out of the Senate this week with a unanimous vote. WPPA continues to have concerns with the bill, however, and is working with stakeholders on an amendment that puts sideboards on the frequency contractors may seek financial adjustments to public works contracts. The bill would ensure the prevailing wage is paid to workers is linked to when the work is performed, however, the version which passed out of the Senate requires ports to amend contracts each time prevailing wage is adjusted. This is a minimum of twice a year for each craft affected by the legislation. WPPA supports the underlying intent of this legislation and is working to make sure excessive change orders do not put port projects at financial risk.

Apprenticeships

A bill designed to incentivize apprenticeships was voted out of the House this week with an amendment that removes apprenticeship requirement for subcontractors. WPPA continues to have concerns with [HB 1050](#), which would require port public works projects over \$1 million to achieve 15% use of apprenticeships. Ports strongly support apprenticeship utilization as an effective way to grow the workforce but have concerns this legislation would become a barrier to all small businesses and may limit the number of bidders interested in port projects.

Leave for Railroad Workers

Both bills aimed at requiring standardization of unpaid time off, medical and family leave benefits for railroad workers are respectively in the House Rules Committee and Senate Floor Calendar. WPPA is working with port members who operate short line railroads and will try to seek an exemption from the proposal for both [HB 1548](#) and [SB 5267](#).

Concerning Privileged Communication Between Employees and the Unions That Represent Them

[HB 1187](#), has been pulled from Rules and is eligible to be voted on at any time by the full House of Representatives. This bill would create a new legal privilege for communications between a union representative and a union member when that communication was made during union representation. As previously reported, the bill has been [significantly amended](#) since introduction however WPPA members still have concerns with this expansion of legal privilege.

Public Works

Small Works

Both companion bills advanced to the floor calendar this week. [HB 1306](#) and [SB 5268](#) make significant improvements to the Small Works Process, including raising ports Small Works threshold to \$350,000. WPPA supports these bills, and as of Saturday it appeared likely that [SB 5268](#) will be the vehicle for these changes moving forward.

Transportation

Road Usage Charge

WPPA joined a long list of folks at the House Transportation Committee last week sharing general support, but specific implementation concerns, with the latest Road Usage Charge legislation being brought forward. [HB 1832](#) would allow local jurisdictions to begin implementing a \$.025/mile fee on

drivers beginning in 2025, intended to replace the gas tax as the primary funding source for transportation construction and maintenance. WPPA's testimony indicated our specific support for a RUC as a one-to-one replacement for the gas tax; that this new funding source should be only to replace – not expand – the gas tax; and that funding must be spent on road construction and maintenance. The bill remains at the House Transportation Committee, but because of its substantial budget implications could advance at any time and is not subject to “cutoff” deadlines.

Freight Rail investment Incentives

On February 22, [HB 1371](#) was amended and voted out of the House Finance Committee. The bill seeks to incentivize infrastructure spending on freight rail by providing tax incentives to both owners and operators. [Changes made by committee](#) includes a request from member Ports, expanding the definition of the tax exemption to also include port owned rail facilities versus the current language which is specific to port-owned railroads. [HB 1371](#) will now proceed to Rules for further consideration. The bills companion ([SB 5494](#)) did not advance.

Transportation Budget Policy Legislation

In preparation for the shift in focus from policy to budgets over the next few weeks, two bills recently introduced and passed by their respective committees were added to the conversation this week. [HB 1838](#) would shift the functions for updating and adopting the Transportation Revenue Forecast from WSDOT to the Economic Revenue Forecast Council. WPPA supports this bill as it should lead to better coordination of the legislative budgeting process. Transportation revenue continues to be under pressure, due in part to increased fuel efficiency and increased shift to alternative fuel vehicles. WPPA also supports [SB 5742](#), which would codify certain elements of the Freight Rail Investment Bank (FRIB) program and the Freight Rail Assistance program. WPPA is seeking to codify a longer repayment for loans made by the FRIB program.

Tax

Public Facilities Tax (.09)

[HB 1267](#), a bill that extends the sunset for the .09 public facilities tax to December 31, 2054, was one of WPPA's first priority bills to receive a vote in its chamber this week. The bill moves to the Senate after receiving a unanimous (95-0-3) vote in the House.

Freight Rail Investment Incentives

[HB 1371](#) remains in House Rules and WPPA could use your help in moving it to the floor calendar (see above action alert). The bill seeks to incentivize infrastructure spending on freight rail by providing tax incentives to both rail owners and operators, including port districts. The bill is loosely tied to other rail-focused legislation introduced this session, due to the train derailment in East Palestine, OH in early February. This has placed greater scrutiny on rail legislation this year. Unlike other rail bills, this is the only bill that seeks to improve safety through incentivizing investment in rail infrastructure.

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