



Week 9 Report

March 10, 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

On Wednesday, March 8, 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. Several priority issues for Democrats have passed one chamber including [several housing bills](#), bills to [address gun ownership reform](#) and [ban assault rifles](#), [health data privacy](#), [right to repair](#), [police pursuit](#), [hospital nurse staffing](#), several labor focused bills and environmental policies like [PSE’s decarbonization bill](#).

Bills that did not meet that deadline are considered dead and ineligible to move forward this year unless considered *Necessary to Implement the Budget*. 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. On Thursday, March 9, 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 March 29 in which all bills must pass out of their policy committee to remain alive.

Below are the current bill statistics for the 2023 Legislative Session:

	Bills Introduced	Passed the Chamber of Origin
House	1083	331
Senate	1061	280
Total for 2023	2144	611

AT A GLANCE

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

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

For current & previous copies of our report, visit our website at: [washingtonports.org](#)

NEXT WEEK’S HEARINGS

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

Monday, March 13th

*4:00 pm S Transportation: Work Session—
Rail Program Update*

Tuesday, March 14th

*8:00 am S Bus, Fin Svcs, Gaming & Trade:
SHB 1258 Increasing tourism through
enhancement of the statewide tourism
marketing account & changing necessary
match requirements*

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.).

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.*

Budget to Revenue Forecast

Washington's upcoming March revenue forecast is a critical piece of information for the state's budgeting process. The forecast, which is anticipated to be released by the state's Economic and Revenue Forecast Council on March 20, is used by the state's policymakers to make informed decisions about budgetary allocations and spending priorities. If the revenue forecast shows that the state is likely to collect more money than previously anticipated, policymakers may be more inclined to fund additional programs or increase funding for existing ones. Conversely, if the revenue forecast indicates a revenue shortfall or slowdown, policymakers may need to consider budget reductions or prioritize spending.

Current rumors indicate that revenues remain positive, however increases may be slowing. After the March 20 forecast, House and Senate budget leaders will make final adjustments to their draft budgets prior to their release. Once released, the two chambers will negotiate their differences. We will keep you posted as additional details on timelines develop.

Aviation

Sustainable Aviation Fuel

Senate Majority Leader Andy Billig's Alternative Jet Fuel tax incentive bill moves to the House this coming week, with a hearing at the House Environment, Energy, and Technology Committee on Monday, March 13th. WPPA will once again offer testimony in support of the bill, which 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. If your port is interested in this bill, we encourage you to reach out to your legislators to express that support.

Leaded Aviation Gas

[HB 1554](#) will have a hearing in the Senate Environment, Energy & Technology Committee on March 15th. The bill no longer prohibits the sale of 100 low lead AvGas or creates a punitive framework for airport operators. The bill does, however, continue to cause concern and WPPA continues to work with other stakeholders to consider further modifications.

Boating & Marina

Derelict Structures

[SSB 5433](#) and [SHB 1378](#) each passed their house of origin and are now respectively in the House Agriculture and Senate Agriculture committees. This is DNR request legislation streamlining derelict structure removal and creating nearshore credits to facilitate the process passed the Senate. WPPA worked with DNR to add amendments that eliminated our concerns, and as of now we will simply monitor the legislation to ensure our amendments are preserved as the bills progress through each chamber.

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 14th. 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. The bill is supported by WPPA.

Broadband

State Broadband Map

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 has been moving through the legislature with bipartisan support and has been scheduled for a public hearing next week on March 17 in the Senate Environment, Energy & Technology Committee.

Economic Development

Tourism Promotion

Legislation to promote Washington state tourism survived cutoff, with the House version, [HB 1258](#), receiving unanimous 96-0 on March 1st. WPPA continues to support the bill and we are coordinating with a range of tourism stakeholders. Members ports have previously reached out to their legislators to express support, and we will engage you more as the bill advances. The legislation is now scheduled for a Senate hearing at the Business, Financial Services, Gaming, and Trade Committee on Tuesday, March 14th. Please reach out to WPPA staff if you have interest in providing testimony at this hearing.

Energy

CCA Auction

On February 28, the Department of Ecology held its first Cap-and-invest program carbon allowance auction. Under the cap-and-invest program, emitting businesses can either reduce carbon emissions or purchase carbon allowances. The revenue from the sale of the allowance will be allocated by the legislature and is intended to be spent on activities that reduce carbon. Based on early reports, the state has generated approximately \$300 million which is \$100 million more than anticipated for the first auction. [Recent coverage in the Seattle Time can be found here.](#)

Support for Hydrogen

Two bills that would create and expand tax incentives for hydrogen fuel cells remain alive despite not passing their chamber of origins. [SB 5091](#) and [HB 1729](#) both received action this week – [SB 5091](#) had a public hearing in the Senate Ways & Means Committee and [HB 1729](#) was voted out of the House Finance Committee. WPPA supports both proposals.

Support for Nuclear

On March 10, [HB 1584](#) has a public hearing in the Senate Environment, Energy & Technology Committee. This bill would add advanced nuclear technology as a guiding principle for the development of the State Energy Strategy as a clean energy source. Additionally, the bill has been amended to remove natural gas as a guiding principal and replaces it with renewable natural gas and hydrogen.

PSE Phasing Out of Natural Gas

[HB 1589](#), brought to the legislature by the state's largest investor-owned utility, Puget Sound Energy, is an attempt by PSE to set up the process and write the rules by which they will ease out of the retail natural gas business. The bill does not call for discontinuing service to current natural gas customers, but as introduced the utility would stop connecting new gas customers after June 30, 2023. If this bill continues to advance it will be modified all the way through the process. On March 6, the bill was voted out of the House by a vote of 52-44. It has been scheduled for a public hearing on March 15 in the Senate Environment, Energy, & Technology Committee. WPPA will continue to closely monitor this proposal.

Environment And Natural Resources

Clean Energy Siting

[E2SHB 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. The bill is scheduled for public hearing in the Senate Committee on Environment, Energy & Technology at 8:00 AM on March 15th. 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 is submitting a letter to the bill sponsor and Senate proponents outlining additional changes we suggest including in the bill. We will continue supporting the bill while advocating for these amendments, and WPPA will testify in support of the bill at its Senate hearing.

Ecosystem Services and Management of State Forest Land

[ESHB 1289](#), a measure giving DNR authority to enter state trust lands into ecosystem contracts to generate carbon credits, passed the House and was referred to the Senate Environment, Energy & Technology Committee. This bill was the source of great intrigue as both sides of the issue worked it vigorously. In the end, an amendment addressing many of our concerns and significantly limiting the scope of the bill was adopted and the bill moved on to the Senate Environment, Energy & Technology Committee. It has not been scheduled for a hearing yet. WPPA will continue working with member ports and other stakeholders to ensure our concerns are addressed. Please reach out to WPPA staff if you're interested in sharing your thoughts on this legislation.

Governance

Authority of Cargo and Passenger Ports

[HB 1257](#), legislation regarding antitrust immunity and the ability of certain ports to meet at the Northwest Marine Terminals Association, received a unanimous vote out of the House and has been referred to the Senate Transportation Committee. WPPA staff have been in touch with committee leadership to share background and request a public hearing on the bill. It has not yet been scheduled for a public hearing, and WPPA will continue to engage interested members in outreach to the committee to ensure it moves forward.

Unified Tax Levy for Port Districts

On March 6, [HB 1663](#) was amended and voted out of the House by a vote of 95-0. This permissive bill would allow “functionally consolidated” port districts to adopt a unified levy if port districts which have chosen to consolidate their operations and that choose to pursue a unified levy. The striking amendment made a number of changes, including a requirement that a majority of voters is needed in both districts in order to implement a joint property tax levy. [Click here](#) to review the amendment.

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 13, the bill has been scheduled for executive session prior to being scheduled for a public hearing. This means the bill will likely be re-referred to a different committee. 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. The bill has not yet been scheduled for a hearing in the House Labor & Workplace Standards.

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. The bill will be heard in the Senate Labor & Commerce Committee on March 13th.

Leave for Railroad Workers

On March 8, [SB 5267](#) was amended and voted out of the Senate by a vote of 42-7. As introduced, the bill would require standardization of unpaid time off, medical and family leave benefits for all railroad workers which caused concerns for several WPPA members as this policy is federally preempted by the Railway Labor Act. As the bill passed the Senate, several positive changes were made including removing Class III railroads from the bill, and removed the private right of action.

Public Works

Small Works

On March 6, [SB 5268](#) was unanimously voted out of the Senate. This bill makes significant improvements to the Small Works Process, including raising ports Small Works threshold to \$350,000. The bill has been scheduled for a public hearing on March 14 and a vote out of committee on March 17. WPPA will continue to support this bill as it moves through the process.

Transportation

Road Usage Charge

WPPA will continue to monitor and engage in discussions around Road Usage Charge legislation – [HB 1832](#). This bill could be alive until the end of session due to substantial budget implications and is not subject to “cutoff” deadlines.

Other Notable Transportation Bills that Remain Alive

- *Streamlining Commercial Drivers Licensing* ([HB 1058](#))
- *Restroom Access for Motor Carriers* ([HB 1457](#))

Tax

Public Facilities Tax (.09)

[HB 1267](#), a bill that extends the sunset for the .09 public facilities tax to December 31, 2054, continues to advance in Olympia. After passage in the House, the bill was referred to the Senate Local Government, Land Use & Tribal Affairs Committee where it will be heard on March 14th. WPPA will continue to support this priority bill.

Freight Rail Investment Incentives

While [HB 1371](#) did not advance prior to the March 8 House of Origin deadline, it remains alive under the marking that it could be deemed *Necessary to Implement the Budget*. The bill seeks to incentivize infrastructure spending on freight rail by providing tax incentives to both rail owners and operators, including port districts. WPPA will continue to advocate for it to advance this year.

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