



## Week 11 Report

March 24, 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, March 24 marks the 75th day of the 2023 Legislative Session. In addition to focusing on policy bills, the legislature shifted its focus this week to publicly working on the state's biennial budgets: Operating, Capital and Transportation.

On Monday, March 20, the highly anticipated March revenue forecast was released. While collections are nominally up in the current biennium, which ends June 30 2023, the state is down over \$1 billion for the next two biennium.

Projections as of March 20:

- \$194 million increase for 2021-23 biennium (current biennium)
- \$483 million decrease for the 2023-25 biennium
- \$541 million decrease for the 2025-27 biennium
- Result: \$1.024 billion down over the upcoming four-year cycle

This decrease has left lawmakers scrambling to modify their respective budget proposals to ensure they balance over four years. Click here to review the report and executive summary of the [March 20 Revenue Review](#).

### Budget Watch

After budgets are released, they will immediately be scheduled for a public hearing and vote out of committee – typically within 24-48 hours. WPPA will review budgets as soon as they are released, however we encourage members who are seeking specific

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

### NEXT WEEK'S HEARINGS

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

#### **Monday, March 27**

4:00 pm S Transportation: SHB 1084  
Concerning freight mobility prioritization

4:00 pm S Transportation: HB 1257  
Concerning the authority of cargo and passenger ports

### 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

funding, to quickly review as well! [Once released, all proposed budgets can be found here](#). After each chamber votes their respective budgets, negotiations between the House and Senate begin. Current intel on the remaining budget releases can be found at the bottom of this page (subject to change).

*Senate Operating*

The Operating Budget is a two-year plan that pays for the day-to-day operations of state government. On Thursday, the Senate released their 2023-2025 Operating Budget which proposes to spend \$69.2 billion over two-years, leaving \$3.8 billion in reserves. [Click here](#) to view an executive summary.

Port highlights:

- \$2.5 million for industrial site readiness
- \$10 million for Clean Energy Permitting and Planning
- Funding for SB 5268 – Small Works Roster Reform
- \$6 million for NWSA zero emission truck pilot
- We would like to see additional funding for:
  - ⇒ Associate Development Organizations
  - ⇒ Tourism
  - ⇒ Innovation Cluster Acceleration Program
  - ⇒ International Market Program

*Senate Capital*

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. It operates on the same two-year period as the Operating Budget. On Monday, the Senate released their 2023-2025 Capital Budget which proposes to spend \$7.9 billion over two-years, leaving \$3.8 billion in reserves. [Click here](#) to view an executive summary.

*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 <b>Bold</b> = occurred	Release Date	Public Hearing	Voted out of Committee	Approved by full Chamber
Senate Capital	<b>3/20</b>	<b>3/20</b>	<b>3/22</b>	<b>3/24</b>
Senate Operating	<b>3/23</b>	<b>3/24</b>	Scheduled 3/27	
Senate Transportation	3/29 -3/30 <i>Tentative</i>	3/30		
House Capital	3/27	3/28	Scheduled 3/30	
House Operating	3/27	3/27	Scheduled 3/29	
House Transportation	3/27	3/27	Scheduled 3/29	

#### Port highlights:

- \$115m for Remedial Action Grants under MTCA, fully funding the Governor's list which features strong funding for several port projects.
- \$40m for "Port Electrification," with projects in Seattle and Everett specifically identified and a \$21m grant program for which all ports would be eligible.
- \$50m for the Broadband Infrastructure Federal Match Projects which is funding exclusively provided as match for the Broadband Equity, and Deployment (BEAD) federal program funded in the Infrastructure, Investment & Jobs Act (IIJA).

**Stay tuned for next weeks report where we will compare the House and Senate budgets and impacts to Ports**

## Aviation

### *Sustainable Aviation Fuel*

[ESSB 5447](#), the Alternative Jet Fuel tax incentive bill, passed the House Environment, Energy, and Technology Committee on Tuesday, March 21st without any opposition. WPPA worked with the supporting coalition on amendment language that will impact related to emissions analysis around Seattle-Tacoma International Airport, and that language is now in the bill. The legislation overall 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. [ESSB 5447](#) now moves to the House Finance Committee, expected to be its final committee stop, and has a public hearing on Tuesday, March 28th. WPPA will continue to work in support of this measure.

### *Leaded Aviation Gas*

[HB 1554](#) is scheduled to be voted out of the Senate Environment, Energy & Technology Committee on March 28th. WPPA is now neutral on the bill as it no longer prohibits the sale of 100 low lead AvGas. A technical amendment, further improving the bill has been offered for consideration.

### *Commercial Aviation Coordinating Commission*

[HB 1791](#) was heard in Senate Transportation on Tuesday. 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.

## Boating & Marina

### *Plastic Pollution*

[SHB 1085](#) – Plastic Pollution, passed out of Senate Environment, Energy & Technology committee and is now in Senate Ways and Means. The measure includes the amendatory language WPPA helped craft, which allows hard-cased foam meeting the current industry standard to continue to be used in over-water structures. WPPA continues to monitor the bill to ensure it remains acceptable.

### *Derelict Structures*

[SSB 5433](#) passed out of House Agriculture and Natural Resources committee and is now in House Capitol Budget. DNR request legislation, this bill streamlines derelict structure removal and creates nearshore credits to facilitate the process. WPPA worked with DNR to add amendments that eliminated our concerns, and we are monitoring the legislation to ensure our amendments are preserved.

### *Derelict Vessels*

[SHB 1753](#) is scheduled for executive session in the Senate Committee on Agriculture, Water, Natural Resources & Parks on March 27th. 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.

[SB 5192](#) was placed on the House floor calendar. 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*

[2SHB 1746](#) passed out of the Senate Environment, Energy & Technology Committee on March 24th, albeit with many non-friendly amendments. The bill previously directed the State Broadband Office to use the most current version of the national broadband map as the basis for a state broadband map. Instead, the current draft of the bill encourages covered entities to submit data information to the Federal Communications Commission's mapping process among other changes. WPPA has concerns with the amended bill and is in dialogue with the bill sponsor on next steps.

## **Economic Development**

### *Tourism Promotion*

Legislation to promote Washington state tourism continues to advance, passing the Business, Financial Services, and Trade Committee this week with broad-based support. The concern at the moment is not the status of the bill but the level of funding included in the budget, with the Senate only including \$8m for the WA Tourism Marketing Authority. The legislation originally proposed \$26m, and that's a number WPPA and our members have supported in letters and testimony. But as of Friday, March 24th, it was looking more and more likely that \$8m would be the high mark. The House budget could change that, and WPPA will continue to convene and coordinate with tourism stakeholders on budget strategy. The legislation authorizing and updating the program and the funding now goes to the Senate Ways and Means Committee, where it is expected to be scheduled for a hearing.

### *Tax Increment Financing – Technical Corrections*

[HB 1527](#) is a port priority bill that makes technical corrections to the Tax Increment Financing statute. The bill represents 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. The bill was voted out of the Senate Ways & Means Committee with a unanimous vote this week and is in The Senate Rules Committee.

### *Site Readiness*

[SB 5229](#), 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 planning grants. The bill was heard in the House Capital Budget Committee this week and is scheduled to be voted out of that committee on March 31st.

### *ADO Innovation Grants*

[HB 1717](#) was voted out of the Senate Business, Financial Services, Gaming & Trade Committee Tuesday and has yet to be scheduled for a hearing in the Senate Ways & Means Committee. The bill would create an Innovation Grant program for Associate Development Organizations (ADO's) which would provide important new funding for these economic development tools. Funding for the bill was omitted from both the Senate Operating and the Senate Capital Budget's. Please contact your Senator immediately if this bill is important to your port.

### *Grant Writers*

The Senate Business, Financial Services, Gaming & Trade Committee has voted HB 1783 out of committee on Tuesday. The bill would instruct the Department of Commerce to recruit and retain grant writers designed to help ADO's and other local government's secure funding opportunities for economically distressed areas. The bill has not yet been scheduled for a hearing in the Senate Ways & Means Committee.

## **Energy**

### *Tax Incentives Hydrogen*

Two bills, [SB 5091](#) / [HB 1729](#), aimed at creating and expanding tax incentives for research, development, production, and sales of hydrogen fuel cells remain alive despite not meeting cutoff deadlines. On March 24, [HB 1729](#) was scheduled for a vote out of committee however, they ran out of time and will likely take this bill up in the coming days. The Senate bill did not see action but was included in the Senate Operating Budget thus keeping it alive and under consideration as Necessary to Implement the Budget.

## **Environment And Natural Resources**

### *Protecting Orcas From Vessels*

[ESHB 5371](#) is scheduled for executive action in the House Committee on Agriculture and Natural Resources on March 29th. The measure would [change a number of requirements](#) for vessels and how they interact with southern resident orcas, including a requirement making it unlawful to approach within 1,000 yards, instead of the current 300 yards, of southern resident orcas. The bill also modifies whale watching licensing fees and creates enforcement provisions for paddle tours. Eric Ffitch, WPPA's executive director, has reached out to ports who operate whale watching businesses for feedback on the measure. WPPA will continue to monitor this policy proposal.

### *Underground Storage Tanks*

[SHB 1175](#) is scheduled for executive action in Senate Environment, Energy & Technology committee on March 28th. The bill would create a state financial assurance program for owners and operators of petroleum underground storage tanks. WPPA is supporting the measure to provide greater financial protection to owners and operators of underground storage tanks on port facilities.

### *Clean Energy Siting*

[E2SHB 1216](#), legislation that seeks to streamline the permitting and siting of clean energy facilities in Washington state, passed out of Senate Environment, Energy & Technology Committee and on to the Ways and Means Committee on March 24th. WPPA submitted a letter with proposed amendments. A few of our suggestions were incorporated and Chair Nguyen indicated they will be working the bill before final floor action. We will continue to advocate for additional amendments.

### *Ecosystem Services and Management of State Forest Land*

[ESHB 1789](#), a measure giving DNR authority to enter state trust lands into ecosystem contracts to generate carbon credits, is scheduled for executive action in the Senate Environment, Energy & Technology Committee on March 28th. This bill was the source of great debate. A WPPA supported amendment was adopted on the House floor. Given that many of the concerns raised by WPPA and our members have been addressed, we supported the bill in committee with positive testimony, as did a number of other stakeholders who'd previously testified to significant concerns. We will continue to track this bill to ensure it addresses member concerns in its final form.

### *Marine Shoreline Habitat*

[SB 5104](#) Puget Sound Marine Shoreline Habitat passed out of the House Committee on Environment and Energy on a party-line vote. The measure directs the Department of Fish and Wildlife to survey habitat along Puget Sound to create and maintain a baseline of habitat. WPPA continues to monitor this measure.

## **Governance**

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

The Enhanced Voting Rights Act of Washington State, [HB 1048](#), continues to advance and at this point it appears unlikely it will be substantially amended. WPPA connected with the Senate sponsor of the legislation this week to discuss lingering concerns with implementation and potential cost to ports, and expressed support for a modest amendment put forward by our partners at the Association of Washington Cities. The legislation passed the Senate Committee on State Government and Elections on Friday and is now at the Senate Rules Committee, its final stop before a floor vote.

### *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, is scheduled for a hearing at the Senate Transportation Committee on Monday, March 27th, at 4pm. WPPA staff finally received feedback from the Attorney General with proposed changes to the Legislation. Conversations with the AG will continue as we prepare for our Monday testimony panel, and we will work with the prime sponsor to consider how to address the AG's suggestions as the bill moves forward.

### *Special Purpose Districts Governing Body Vacancies*

[SB 5437](#) would modify the process for filling vacancies on the governing bodies of special purpose districts, including port commissions. The legislation would require posting the opening in public including the port's website and also accepting nominations from the public. The bill was voted out if the House Local Government Committee on Friday.

## **Labor**

### *Leave For Railroad Workers*

[SB 5267](#) had a public hearing on March 21 and is scheduled to be voted out of the House Labor & Workplace Standards Committee next week. 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.

### *Apprenticeships*

A bill designed to incentivize apprenticeships was voted out of the Senate Labor & Commerce Committee on Thursday. WPPA testified with ongoing 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. Local governments, including port districts, have a sponsor who will offer an amendment to change the project threshold to those over \$2 million and will propose other interim work be done to ensure ports are prepared to implement this legislation by its effective day, July 2024, should it pass.

### *Prevailing Wage*

[SB 5726](#) has been scheduled for a hearing on March 28th in the House Labor & Workplace Standards Committee. 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.

## **Public Works**

### *Small Works*

[SB 5268](#) would make significant improvements to the Small Works Process, including raising ports Small Works threshold to \$350,000. The bill continues to advance through the process and has been referred to the House Appropriations Committee. Next, the bill must advance prior to the fiscal cutoff deadline of April 4. WPPA will continue to support this bill as it advances. Funding to implement this bill has been included in the Senate's Operating Budget proposal.

## **Tax**

### *Freight Rail Investment Incentives*

[HB 1371](#) seeks to incentivize infrastructure spending on freight rail by providing tax incentives to both rail owners and operators, including port districts. WPPA testified in the Senate Business, Financial Services, Gaming & Trade Committee hearing on Thursday. Next week, the bill is scheduled for a vote out of committee on March 28. WPPA will continue to advocate along with Port members for it to advance [HB 1371](#) this year.

### *Tax Increment Financing – Technical Corrections*

[HB 1527](#) is a port priority bill that makes technical corrections to the Tax Increment Financing statute. The bill represents agreements 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. On March 21, the bill was voted out of the Senate Ways & Means Committee and will now advance to the Senate Rules Committee for further consideration.

### *Unified Tax Levy For Port Districts*

[HB 1663](#), continues to advance through the legislative process. This week, the bill had a public hearing and was voted out of committee on March 23. 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. Notably, the bill has been amended as it advanced including a requirement that a majority of voters is needed in both districts in order to implement a joint property tax levy.

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