



Week 12 Report

March 31, 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

Sunday, April 2nd, marked the 84th day of the 2023 Session. This past week, the legislature met two key milestones – opposite chamber policy cutoff and the release of each chamber’s draft biennial budgets.

Opposite Chamber Policy Cutoff

On Wednesday, March 29, all policy bills needed to be voted on and advanced out of committee in order to remain eligible for further consideration. This means that all Senate bills must have been voted out of House policy committees and all House bills needed to be voted out of Senate policy committees. Once voted out, bills with a fiscal impact are sent to their final fiscal committee or, if no impact, to their respective chamber’s Rules Committee.

Next, bills must advance out of their fiscal committee by April 4th to remain alive. This process once again narrows the amount of bills under consideration.

Budget Releases & Status

Now that each chamber has released their respective budgets, negotiations have begun between the House and Senate. Below is the current status of each budget.

<i>Budget Bold = occurred</i>	<i>Release Date</i>	<i>Public Hearing</i>	<i>Voted out of Committee</i>	<i>Approved by full Chamber</i>
Senate Capital	3/20	3/20	3/22	3/24
Senate Operating	3/23	3/24	3/27	3/29
Senate Transportation	3/29	3/30	Scheduled 4/3	
House Capital	3/27	3/28	3/30	
House Operating	3/27	3/27	3/29	
House Transportation	3/27	3/27	3/29	

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 & previous copies of our report, visit our website at: washingtonports.org

Thursday April 6 - Beef Day on the Hill!

If you’re in Olympia next week, stop by the capitol campus for Beef Day hosted by the Washington Cattlemen’s Association.

Budget	Senate	House
Operating HB 1140/SB 5187	\$69.2 billion	\$69.5 billion
<i>Quiet Sound (orca monitoring)</i>	\$750,000	\$500,000
<i>Tourism</i>	\$8m	\$9m (<i>Ryu Amendment</i>)
<i>Site Readiness</i>	\$2.5m	
<i>Associate Dev. Organizations</i>	\$8.8m	\$8.6m
<i>Clean Energy Permitting & Planning</i>	\$10 million	\$10m
<i>ADO Innovation Grant Funding</i>		\$5.3m
<i>Innovation Cluster Acceleration Program</i>		
<i>International Market Program</i>	\$1.2m	\$600,000
<i>NWSA Zero Emission Truck Pilot</i>	\$6 million	
<i>SB 5268, public works procurement</i>	\$1.4m	
<i>Site Readiness</i>	\$2.5m	\$4.0m
Transportation HB 1125/SB 5162	\$12.9 billion (23-25); \$10.6b (supplemental 21-23)	\$13.6 billion (23-25); \$10.3b (supplemental 21-23)
<i>FMSIB</i>	\$10 million (unallocated)	\$21.5 million (<i>funded project list in full</i>)
<i>Truck Parking</i>	\$12 million (from FMSIB account)	\$2.3 million dedicated to expand rest area truck parking & other projects
<i>WPPA Marine Cargo Forecast</i>		\$300,000 (<i>in partnership with FMSIB</i>)
<i>Snake River Dams Transportation Study</i>	\$5 million for WSDOT	\$5 million for WSDOT & \$.5M for JTC Independent Review
<i>Port Electrification</i>		\$23.3 million for three projects
Capital HB 1147/SB 5200	\$7.9 billion	\$8.3 billion
<i>Remedial Action Grants</i>	\$115m for Remedial Action Grants under MTCA, fully funding the Governor's list which features strong funding for several port projects	\$115m for Remedial Action Grants under MTCA, fully funding the Governor's list which features strong funding for several port projects
<i>Port Electrification</i>	\$40m for "Port Electrification," with Northwest Seaport Alliance & Port of Everett specifically identified & a \$21m grant program for which all ports would be eligible	No port electrification funding (House included NWSA and Port of Everett, no grant program)
<i>Hard-to-Decarbonize Sectors Program</i>		\$40 million, <i>Hard-to-decarbonize definition includes industry, aviation &</i>
<i>CARB</i>	\$5 million	\$5 million
<i>Broadband</i>	\$50m for the Broadband Infrastructure Federal Match Projects which is funding exclusively provided as match for the Broadband Equity, & Deployment (BEAD) federal program funded in the Infrastructure, Investment & Jobs Act (IIJA)	\$50 million for the Broadband Infrastructure Federal Match Projects. \$25 million is provided to the State Broadband Office & \$12.5 million is provided to both CERB & the Public Works Board
<i>CERB</i>	\$25 million for Core CERB	\$25 million for the Core CERB

Aviation

Sustainable Aviation Fuel

[ESSB 5447](#), the Alternative Jet Fuel tax incentive bill, continues to advance, passing out of the House Finance Committee on Thursday, March 31st. The Finance Committee included an amendment to address concerns raised by the Lummi Tribe. WPPA continues to work with the supporting coalition to keep the bill moving. The legislation overall 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 Rules Committee, where it has until April 12th to pass the House.

Leaded Aviation Gas

[HB 1554](#) is scheduled to be voted out of the Senate Transportation Committee on April 4th. WPPA is opposed to the bill. The bill no longer prohibits the sale of 100 low lead AvGas, however, a technical amendment adopted by the Senate Environment, Energy & Technology Committee assumes avgas is causal to any increased lead that may be found near airports. WPPA Thanks Port of Moses Lake's Airport Manager, Rich Mueller for sharing his concerns in testimony this week.

Commercial Aviation Coordinating Commission

[HB 1791](#) is scheduled to be voted out of the Senate Transportation Committee on April 4th. 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 completing stopping forward progress.

Boating & Marina

Derelict Structures

[SSB 5433](#) was passed out of committee to House Rules on March 31st. 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.

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.*

Derelict Vessels

[SHB 1753](#) is on the 2nd reading calendar in the House. 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](#) has passed both chambers and is on the way to the Governor. 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 testified in support of [2SHB 1746](#) in the Senate Ways & Means committee on Friday. Ports have worked with other stakeholders as well as the State Broadband Office to address concerns in the current draft of the bill which requires covered entities to submit data information to the Federal Communications Commission's mapping process be considered for funding or participate in the challenge process. An amendment has been offered for consideration on the bill. The bill has been scheduled for executive session on April 3rd.

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 Senate budget still includes just \$8m for the WA Tourism Marketing Authority – compared with the \$26m originally proposed – but the House increased its funding to \$9m through an amendment at committee. 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. Proponents continue to gather to discuss strategy, but at this point the focus is maintaining the House funding and securing passage of [HB 1258](#), the authorizing legislation.

Tax Increment Financing – Technical Corrections

[HB 1527](#) remains in the Senate Rules Committee. The bill is a WPPA priority bill that makes technical corrections to the Tax Increment Financing statute.

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 voted out of the House Capital Budget Committee this week and is currently in the House Rules Committee.

ADO Innovation Grants

[HB 1717](#) is scheduled to be voted out of the Senate Ways & Means Committee on April 3rd. 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.

Grant Writers

The Senate Ways & Means Committee is scheduled to vote [HB 1783](#) out of committee on April 3rd. 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.

Energy

Tax Incentives Hydrogen

[SB 5091](#) / [HB 1729](#), Two bills 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, the committee ran out of time and did not return to it prior to the cutoff deadline. [SB 5091](#) which has not seen action for several weeks has been scheduled for a vote out of committee on April 4 and has been listed in the Senate Operating Budget – which is important for maintaining NTIB status. It appears [SB 5091](#) will be the vehicle for this policy however it's too soon to officially know.

Planning for Advanced Nuclear Reactor Technology

[HB 1584](#) would add advanced nuclear technology, renewable natural gas, and green electrolytic hydrogen as guiding principles for the development of the State Energy Strategy. This bill, which was originally intended to support advanced nuclear reactor technology, has created a fight over the inclusion of natural gas as a guiding principal. The House removed natural gas in policy committee, on the floor added in renewable natural gas, and now as the bill advanced out of the Senate policy committee, natural gas was added back in. The bill is currently in the Senate Rules Committee and seems unlikely to advance.

Environment And Natural Resources

Protecting Orcas From Vessels

[HB 5371](#) would change a number of requirements for vessels and how they interact with southern resident orcas. On March 29, the legislation was amended and voted out of the House Agriculture and Natural Resources Committee. As introduced, the bill would make it unlawful to approach southern resident orcas within 1,000 yards, instead of the current 300 yards and would have modified whale watching licensing fees and creates enforcement provisions for paddle tours. The March 29th amendment changed the distance requirement for recreational boaters, back to 300 yards. WPPA reached out to several ports who operate whale watching operations for feedback early in this process. The current version of the legislation appears to address many concerns raised by the Recreational Boating Association and the Pacific Whale Watch Association, but if you're following this issue closely, please [review the current version of the bill](#) and let us know if you have any remaining questions or concerns. The bill is now scheduled for a public hearing at the House Appropriations Committee for Monday, April 3rd.

Underground Storage Tanks

[SHB 1175](#) was heard in Senate Ways and Means on March 30th. 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, had a public hearing in the Senate Ways and Means Committee on March 31st. WPPA continues to support the legislation while proposing additional improvements to support the work done by our members in this area. WPPA submitted a letter with proposed amendments, a few of which were incorporated or at least addressed in the substitute amendment. The bill will receive a vote at a marathon Ways and Means Committee Executive Session on Monday, April 3rd, and could be amended more as it continues to move.

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, was heard in Senate Ways and Means and is awaiting executive action. 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 work this bill to ensure it addresses member concerns in its final form.

Marine Shoreline Habitat

[SB 5104](#) Puget Sound Marine Shoreline Habitat is scheduled for executive action in House and on to House Rules on March 31st. 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](#), is expected to continue advancing and from here it is unlikely it will be substantially amended. WPPA has connected with both the House and Senate sponsors, testified in committee, and reached out to legislators to discuss lingering concerns with implementation and potential cost to ports. WPPA also expressed support for a modest amendment put forward by our partners at the Association of Washington Cities. This legislation has been moved out of Senate Rules, and could be voted on at any time.

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, had a hearing at the Senate Transportation Committee on Monday, March 27th. Following that hearing, port representatives and staff from the Attorney General's office gathered with the bill sponsor to address final concerns raised by the AG, who wants to ensure the authorities in the bill are consistent with what ports long enjoyed under the Shipping Act. As of Sunday, April 2nd, the path to consensus was identified, and the bill is expected to receive a final amendment at the Tuesday, April 4th, Executive Session at Senate Transportation.

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. The bill has advanced through the Senate and is currently on the Senate floor calendar and could be voted on at any time. WPPA supports this bill.

Labor

Apprenticeships

A bill designed to incentivize apprenticeships was voted out of the Senate on a mostly party line vote on Friday. The bill was amended to only apply to public works contracts in excess of \$2 million, reducing that level to \$1 million over four years. In addition to more robust training and technical assistance, a study designed to assess the effectiveness of the policy and find ways to include subcontractors into the policy without creating barriers for small business have also been included. WPPA supports apprenticeship utilization as an effective way to grow the workforce but have had concerns this legislation would become a barrier to all small businesses and be burdensome by adopting utilization requirements without sufficient programs in place to enable the policy to work.

Prevailing Wage

[SB 5726](#) was not heard in the House Labor & Workplace Standards Committee this week and has not advanced prior to opposite chamber cutoff and is likely dead for this legislative session.

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 was heard in the House Appropriations Committee on Friday. The committee is scheduled to exec the bill on April 3rd. Funding to implement this bill has been included in the Senate's Operating Budget proposal.

Transportation

Freight Mobility Strategic Investment Board (FMSIB)

WPPA testified in support of [HB 1084](#) this week and supports [HB 1084](#) as a way to re-energize the board's significant value to strategic freight funding. The bill releases funding to the Freight Mobility Strategic Investment Board's project list which has been fully funded in the House Transportation Budget.

I-5 Bridge Tolling Authorization

Companion bills [HB 1852](#) and [SB 5765](#) were introduced this week and the Senate version had a hearing in the Senate Transportation Committee on Thursday. The bills provide authority to implement tolling on the future I-5 Interstate Bridge. In last year's Move Ahead Washington transportation package, toll revenue, estimated between \$1.25B to \$1.6B, was anticipated as part of the full funding scenario for the bridge replacement.

Connecting Washington Bond Authority

Senator Liias introduced [SB 5763](#), which authorizes the sale of bonds to ensure projects funding in Connecting Washington can be fully funded and completed during the original 16 years. The bill would authorize up to \$9B in bonds be issued. The bill only authorizes the sale of bonds, the decision to do so will be considered as future budgets contemplate the need for funding to complete projects within the biennium.

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 on Friday in the Senate Ways & Means Committee hearing. Next week, the bill is scheduled for a vote out of committee on April 4. A small amendment to improve the utility of donated materials is being requested.

Unified Tax Levy For Port Districts

[HB 1663](#), continues to advance through the legislative process. This week, the bill had a public hearing in the Senate Ways & Means Committee. 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 its advanced including a requirement that a majority of voters is needed in both districts in order to implement a joint property tax levy. [HB 1663](#) has been scheduled for a vote at the Ways and Means Committee on Tuesday, April 4th.

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