



Week 13 Report

April 7, 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

The countdown to Sine Die continues in Olympia, as Friday, April 7th, marks the 89th Legislative Day. That means there are just 16 days until the constitutionally-required adjournment on Sunday, April 23rd, and by all indications the Legislature will finish its work without requiring a "special session."

Monday and Tuesday saw marathon hearings in fiscal committees in advance of the Tuesday, April 4th, fiscal cutoff deadline. A few WPPA priorities advanced just under the wire, with [HB 1257](#), regarding cargo and passenger port authorities, actually the final bill considered by the Senate Transportation Committee at its final Executive Session meeting on Tuesday. With the fiscal cutoff behind them, lawmakers headed for the floors of their respective Chambers to begin working their way through a stack of bills, now eyeing the Wednesday, April 12th, "opposite house cutoff," after which all bills must have advanced through both chambers to remain alive for consideration.

Budgets come closer into focus this week and next, with each chamber adopting proposals and moving into closed-door meetings with budget committee members to begin finalizing details and resolving differences. The report below includes an update on the status of the budgets and where some key WPPA and port member priorities reside in each. As soon as the April 12th deadline has passed next week, budget writers will truly disappear into closed-door negotiations, and WPPA staff will join the rest of the Olympia lobby corps in waiting and watching and hoping for any details that emerge, as rumor or otherwise.

AT A GLANCE

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

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For current & previous copies of our report, visit our website at: 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 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.).

It wouldn't be April in Olympia without the annual Beef Day tradition, and a line of hungry staff, legislators, and lobbyists queued up in the rain outside the Capitol to get their complimentary steak and asparagus lunch. One by one we tick off these landmark events on the path to Sine Die.

Action Alert: As the Washington state legislature heads into the final days of the 2023 legislative session, a handful of WPPA priorities remain in the House and Senate Rules Committee which is the final step prior to a bill being heard and voted on by their respective chambers. Please consider contacting your legislators 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 Floor Calendar.

Ask your Representatives to move the following from House Rules:

- [SB 5447](#) - Alternative Jet Fuel
- [SB 5268](#) - Small Works Roster

Ask you Senators to move the following from Senate Rules:

- [HB 1267](#) - Rural public facilities tax (.09)
- [HB 1257](#) - Authority of Cargo and Passenger Ports

Budget Update

Much remains uncertain in the annual exchange of budgets between the House and the Senate, and the eyes

of advocates are now increasingly focused on those negotiations. Here are a few issues that WPPA is watching in each budget and where those issues currently stand as we enter the home stretch.

Operating Budget

- **Tourism:** The Senate's operating budget proposal included just \$8m for the Washington State Tourism Marketing Authority. The House budget included an amendment to increase funding to \$9m for the biennium. Advocates with whom WPPA is partnering expect that will be the high-water mark, so we will work to ensure the House level is maintained.
- **Clean Energy Permitting:** House and Senate proposals both include funding for clean energy permitting, and local government eligibility means that ports can apply for that funding if its included. Meanwhile the House budget includes funding for the implementation of [HB 1216](#), the clean energy siting bill that WPPA is supporting.
- **International Markets:** The International Marketing Program supported by our partners at the Department of Commerce is funded at \$1.2m per biennium in the Senate Operating Budget, thanks to a floor amendment from Senator Hasegawa, whereas in the House funding remains at \$600,000 for the biennium. This will be an important area to watch as budgets are merged.

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.*

Transportation Budget

- Funding for Connecting WA projects: We were pleased to see strong funding for US-12 in Walla Walla in the House Transportation Budget, but the Senate proposal did not include planning nor right-of-way funding nor language about a federal fund match. Meanwhile, the Puget Sound Gateway program appears to enjoy enough support in both chambers to keep the project on schedule, but WPPA members have a slight preference for the House language.
- Snake River Dams transportation alternatives study has been allocated \$5 million in funding in both the House and Senate Transportation budgets. WPPA prefers both the prescriptive language incorporated in the House version as well as the inclusion of an independent legislative effort to monitor and conduct more stakeholder engagement by the Joint Transportation Committees. As a reminder, WPPA supports a robust study which assesses all transportation aspects which was originally recommended to receive \$10 million.
- The House Transportation Budget fully funds the \$21.5 million project list submitted by the Freight Mobility Strategic Investment Board, including \$300,000 for the Marine Cargo Forecast. The Senate does not fund any of the projects submitted on list. Instead, the Senate allocates \$12 million for undefined investments in truck parking, and leaves \$10 million in funding unallocated to the board. WPPA supports funding for truck parking at the level the Senate has proposed but doesn't think it should come at the expense of projects the board has selected to be funded.

Capital Budget

- Model Toxics Control Act and RAGs: Both the House and Senate Capital Budget include strong funding for Remedial Action Grants funded through MTCA, with \$115m in each. Close to \$85m of the MTCA funding will go to port districts, including major projects at the Ports of Everett, Seattle, Tacoma, Olympia, and Bellingham. This will be an item that WPPA supports in communications with budget writers.
- Shorepower and port electrification: WPPA continues to prefer the Senate Capital Budget's approach to port electrification. Sec. 1031 includes two specific projects – NWSA and Port of Everett—plus \$21m in a port-specific grant program. WPPA is communicating support to lawmakers while asking that the additional three projects we put forward – Anacortes, Bremerton, and Port Townsend – are included in addition to the grant program.
- Broadband: The House and Senate Capital Budgets agree on \$50 million in state funding designated as matching funds for the Broadband Equity, Access and Deployment (BEAD) Program. The similarities stop there. The House dedicated \$25 million for the State Broadband Office and \$12.5 million each to the Public Works Board and to the Community Economic Development Board. The Senate provides the entire funding to the Department of Commerce.

Aviation

Sustainable Aviation Fuel

[ESSB 5447](#), the Alternative Jet Fuel tax incentive bill, is among the WPPA and port member priorities that awaits its fate in the Rules Committee. After passing the House Finance Committee with a few additional amendments, the bill is now in what is expected to be its final form, pending late-breaking floor amendments. The legislation would put in place tax incentives and other policy changes that seek to attract Alternative Jet Fuel producers to Washington, and also features a tax break for airlines that use the fuel. WPPA continues to work with a coalition of supporters to ask that it be moved from House Rules to the Floor Calendar. If you would like to help in the effort to get the bill moved to the floor, please contact WPPA. [ESSB 5447](#) now moves to the House Rules Committee, where it has until April 12th to pass the House.

Leaded Aviation Gas

[HB 1554](#) was not voted out of the Senate Transportation Committee on Monday, missing an important procedural cutoff. The bill may still be necessary to implement the budget and therefore, WPPA will continue to monitor it. 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 is opposed to the bill and has been in contact with members of our federal delegation about inclusion of funding to commercialize no lead AvGas in the 2023 FAA Reauthorization bill.

Commercial Aviation Coordinating Commission

[HB 1791](#) was 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 completely stopping forward progress. It is now at the Senate Rules Committee and needs a floor pull in order to be brought up for a vote before Wednesday, April 12th.

Boating & Marina

Derelict Structures

[SSB 5433](#) was placed on the House 2nd reading calendar April 6th. 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 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](#) is on the Governor's desk awaiting signature. 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

Senate Ways & Means committee voted to exec [2SHB 1746](#) on Monday and the bill is in the Senate Rules Committee. Ports have worked with other stakeholders as well the State Broadband Office to address some concerns in the previous draft of the bill. An amendment was adopted, but the scope of the bill is much smaller than earlier versions. Rather than producing a state broadband map, the main goal of the bill is now state validation of data submitted and included in the FCC map.

Economic Development

Tourism Promotion

WPPA has worked this session with a broad coalition on tourism supporters on [HB 1258](#), legislation that would increase the authorized level of funding for the Washington State Tourism Marketing Authority and adjust the formula by which that funding allocation is calculated going forward. That legislative effort has been accompanied by budget advocacy, and as we currently sit the Senate budget still includes

just \$8m for tourism while the House increased its funding to \$9m through an amendment by Representative Cindy Ryu (D-32nd LD). The authorizing legislation sits at the Senate Rules Committee and proponents continue to gather to discuss strategy, with WPPA as a partner. If you would like to help with advocacy on [HB 1258](#), please contact WPPA staff.

Tax Increment Financing – Technical Corrections

[HB 1527](#) has been moved to the Senate Floor Calendar with a technical amendment which removes a section of the bill already amended by a different bill. The bill is a WPPA priority bill that makes technical corrections to the Tax Increment Financing statute.

Site Readiness

[SB 5229](#), is slated to be the first WPPA priority bill to be signed by the Governor this session. The bill, 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 planning grants, received unanimous support in both chambers.

ADO Innovation Grants

[HB 1717](#) did not advance out of the Senate Ways & Means Committee earlier this week, likely requiring more work to prepare for another try next year. The bill would have created 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 advanced [HB 1783](#) out of committee on Tuesday. The bill is now in the Senate Rules Committee. 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

This legislation would create and expand tax incentives for research, development, production, and sales of hydrogen fuel cells. [SB 5091](#) which had not seen action for several weeks, was voted out of the Senate Ways & Means Committee on April 4 and has been listed in the Senate Operating Budget – which is important for maintaining NTIB status. Notably, it has yet to pass out of the Senate chamber and must advance quickly prior to the end of session on April 23. WPPA supports this legislation.

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.

Environment And Natural Resources

Protecting Orcas From Vessels

[SB 5371](#) as introduced would have made it unlawful to approach southern resident orcas within 1,000 yards, instead of the current 300 yards. As its advanced through the House, several changes have been made. On April 4, the bill amended and voted out of the House Appropriations Committee. The striking amendment adopted by that committee puts back in place distance requirements of 1000 yards, but

specifies that an infraction may not be issued to the operator of a vessel that immediately disengages the transmission within 400 yards of a southern resident orca and waits for the whale to move away. The Recreational Boating Association, the Pacific Whale Watch Association, and WPPA are closely coordinating and are [reviewing the latest version of the bill](#).

Underground Storage Tanks

[SHB 1175](#) is in Rules. 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, advanced to the Senate Rules Committee. WPPA supports the legislation while still advocating for additional improvements to support the work done by ports. We signed a letter led by Puget Sound Energy and signed by more than 20 business, labor, and environmental groups asking the budget writers to fully fund implementation of [HB 1216](#). There is funding in the House Operating Budget but not in the Senate, so that is one item that will need to be resolved over the next two weeks.

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 failed to move out of Senate Ways and Means. 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 Baseline

[SB 5104](#) Puget Sound Marine Shoreline Habitat advanced to House Rules. 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](#), moved through its final step in the process with a floor vote in the Senate on Wednesday, April 5th. The bill passed with Senator Mullet joining every Republican in opposition. The legislation will now be sent to the Governor's desk for his signature. Throughout the process WPPA indicated our agreement with the intent of the bill but maintained significant concerns with implementation and what costs our port members might incur under the new provisions put in place. We will now turn our focus toward educating members about next steps as the bill is put in place, and how it might affect port district elections.

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, was the subject of much discussion last week as the AG and port representatives gathered with the bill sponsor to address final AG concerns before it could advance. On Tuesday, April 4th, Senator Liias put forward an amendment to address those concerns, primarily by adding clarity to the definition of "qualified cargo and passenger ports" and including a clause that repeals the legislation after ten years. With that amendment, the bill passed unanimously out of the Transportation Committee and has moved to Senate Rules. WPPA staff are working with port members to pull the bill to the Floor, and if you'd like to be engaged in that effort, please reach out to WPPA.

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 been signed by both the Speaker of the House and the Senate President and is on its way to the Governor. WPPA has supported this bill.

Labor

Apprenticeships

A bill designed to incentivize apprenticeships awaits a concurrence vote in the House. 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.

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. An amended version of [SSB 5268](#) passed the House Appropriations Committee on Tuesday, and on Friday, it was moved from the Rules Committee to the House Floor.

Transportation

Freight Mobility Strategic Investment Board (FMSIB)

WPPA 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. The bill is currently in the Senate Rules Committee.

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. The Senate voted to advance [SB 5765](#) on Wednesday.

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. The bill advanced out of the Senate Chamber on a mostly party line vote on Wednesday.

Tax

Freight Rail Investment Incentives

WPPA and other stakeholders are working to reduce the fiscal impact of [HB 1371](#) in an effort to keep it alive for this legislative session. The bill seeks to incentivize infrastructure spending on freight rail by providing tax incentives to both rail owners and operators, including port districts. WPPA supports this bill which got hung up in the Senate Ways & Means Committee this week due to a \$26 million fiscal impact over the four-year operating budget.

Unified Tax Levy For Port Districts

[HB 1663](#), continues to advance through the legislative process, passing the Senate Ways and Means Committee without opposition on Tuesday, May 4th. 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](#) now joins a long list of bills at Senate Rules that need to be pulled to floor to receive a vote before the April 12th opposite chamber cutoff deadline.

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