



2023 Session Wrap-up Report

May 5, 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](#).

Washington State 2023 Legislative Session

The 2023 Legislative Session was scheduled as a long (105-day) session that began Monday, January 9, 2023, and concluded on time, on Sunday, April 23, 2023. It was an action-packed session that saw the passage of several major policies as well as all three of the state’s biennial budgets: Operating, Capital and Transportation.

Democrats continued to control the agenda in Olympia with strong majorities in both the House (58-40) and Senate (29-20) as well as control of the executive branch. This year, there were 22 newly elected legislators (and 3 additional returning from retirement). It was a unique year for returning legislators elected in 2020; as it was the first time working from the Capitol campus following the previous two years of COVID-induced virtual sessions.

2,302 bills were introduced over the course of the 105-day session. 494 bills passed the legislature and have been sent to the Governor to be signed into law. Between now and May 16, the Governor will review bills passed by the legislature and choose one of three options: 1) sign the bill into law, 2) veto the entire bill, or 3) partially veto the bill by removing entire sections. The Governor does not have line-item veto authority, which means removing sentences or words is prohibited. Once signed, bills become effective July 23, 2023, unless otherwise directed in the bill.

	Bills Introduced	Passed the Legislature
House	1162	273
Senate	1141	221
Total for 2023	2302	494

Blake Decision and Special Session?

While the legislature adjourned on time, one significant issue was left unresolved. During the final hours of the Session, lawmakers failed to reach agreement on addressing the Blake Decision, which is the 2021 State Supreme Court decision that struck down Washington state’s criminal statute prohibiting possession of a controlled substance. The bill, which was negotiated in conference, failed to muster sufficient votes to pass the House of Representatives. In a press conference following Sine Die, Governor

Inslee left little doubt that he will call a special session. Inslee said legislators need to work out a compromise before he calls a special session. He did emphasize this all needs to happen by July 1. It's important to note that when the Governor convenes a special session it may be for a particular issue, however once in session, the Legislature may work on any issues they wish.

2023 WPPA Priorities

- ✓ HB 1084 Freight Mobility Board
- ✓ HB 1257 Authority of Cargo and Passenger Ports
- ✓ HB 1527 TIF Technical Correction
- ✓ SB 5229 Site Readiness Grants
- ✓ HB 1267 Rural Public Facilities Tax - .09 Funding

WPPA's list of priorities coming into the 2023 Legislative Session fared quite well given the big agenda of items that were identified by Legislative leadership prior to session. While port priority bills like HB 1746 which would have mandated state mapping to support broadband deployment and HB 1371 which aimed to support greater investment in freight rail infrastructure did not make it, meaningful policy important to ports will be adopted into law. The .09 Public Facilities Tax extension through 2054 designed to support rural economic development snuck through the Senate seemingly after having missed a procedural cut-off. Tax increment financing is more accessible to port districts with the passage of HB 1527 which allows ports to remain in control of property and still use this important new funding tool. Important improvements in Public Works, Site Readiness, Clean Energy Siting, and the extension of state immunity to port districts seeking to remain competitive when considering marine terminal rate setting.

Biennial Budgets

After each chamber released and passed their respective biennial budgets – Operating, Capital, and Transportation, budget leaders retreated behind closed doors to negotiate the differences between the House and Senate versions of the budgets. This year, negotiations concluded in the final hour of session with Capital and Transportation Budgets released to the public on Friday, April 21 and the Operating Budget on Saturday, April 22 – with just over twenty-four hours prior to the end of session. Below are highlights of each budget:

Adopted 2023 - 2025 Operating Budget

The Operating Budget is a two-year plan that pays for the day-to-day operations of state government, including K-12 schools, human services, higher education, prison system, public safety, and more. The final budget appropriates \$69.2 billion for the biennium. It adds \$4.7 billion in new spending, and leaves approximately \$3 billion in reserves, and does not rely on new taxes or fees. As noted in a [Democratic press release](#), notable investment include:

- **K-12 Education and Higher Education: \$1.265B**
- **Targeted Equity Investments: \$496M**
- **Housing, Human Services, and Poverty Reduction: \$590M**
- **Public Health, Behavioral Health, Long-Term Care, and Developmental Disabilities: \$1.16B**
- **Increased rates for providers and workers, including: \$204M**

- **Climate Commitment Act and Natural Resources:**
 - ◊ \$406 million in Climate Commitment Act investments
 - ◊ \$45 million for forest health and wildfire protection
 - ◊ \$39 million for biodiversity protection
 - ◊ \$36 million for salmon habitat and recovery
 - ◊ Links to the 2023-2025 Operating Budget: [Text of the Budget](#) and [Summary Documents](#)

Adopted 2023-2025 Capital Budget

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, but does not include transportation construction. It operates over the same two-year period as the Operating Budget. The final budget authorizes \$9 billion in total budgeted funds, of which \$4.7 billion is debt limit bonds for the 2023-25 biennium. The remaining amounts are \$947 million in federal funds, \$328 million in Model Toxic Control Accounts, \$717 million in Climate Commitment Accounts, \$295 million in alternate financing authorizations, \$275 million in State Common School Construction Account, and \$1.8 billion in all other funds. Approximately \$95 million in bond capacity is reserved for a supplemental capital budget. Notable investments include:

- **Behavioral Health: \$884 million**
- **Affordable Housing & Home Upgrades: \$693.7 million**
 - ◊ Affordable housing investments include (\$570 million)
 - ◊ Home upgrade investments include (\$124 million):
- **Human Services: \$407 million**
- **Education: \$872 million** is provided for K-12 education across the state, including \$588 million in state matching grants for the School Construction Assistance Program.
- **Higher Education: \$1.5 billion in total funds, of which \$869 million is state general obligation bonds,** is provided for higher education facilities at the four-year institutions and the Community and Technical Colleges.
- **Natural Resources: \$2.4 billion** is invested in natural resource projects that collectively address water quality and supply, salmon recovery, outdoor recreation and conservation, state trust lands, state parks, air quality, and more. Major investments include:
 - ◊ Water Quality: \$779 million
 - ◊ Salmon Recovery: \$378.3 million
 - ◊ Water Supply: \$233.7 million
 - ◊ Outdoor Recreation and Conservation: \$150.7 million
 - ◊ Toxic Cleanup and Prevention: \$158.1 million
 - ◊ State Parks: \$81.6 million
 - ◊ Carbon Sequestration Forests and Trust Lands: \$110.1 million
 - ◊ Air Quality: \$56.6 million
- **Local & Community Projects: \$231 million, which funds over 325 community based projects**
- **Clean Energy, Energy Efficiency, and Rehabilitation**
 - ◊ Home Electrification and Appliance Rebates Program (HEAR): \$163 million
 - ◊ Clean Energy Fund Grants: \$60 million
 - ◊ Large scale solar innovation projects: \$39 million
 - ◊ Local emission reduction projects and projects to reduce emissions in hard to decarbonize sectors: \$36.7 million
- **Early Learning: \$70.4 million**
- **Local Infrastructure:**
 - ◊ Public Works Trust Fund for infrastructure projects administered through the Public Works Board: \$400 million

- ◊ Low-interest loans to publicly and privately owned drinking water systems through the Department of Health: \$140 million
- ◊ State matching funds for the federal Broadband Equity, Access, and Deployment Program: \$50 million
- **Art & Historic Preservation: \$23.2 million**
- **Military Department: \$65.5 million**

Links to the 2023-2025 Capital Budget: [Text of the Budget](#) and [Summary Documents](#)

Adopted 2023-2025 Transportation Budget

The state’s transportation budget pays for both the day-to-day operation of state transportation agencies and the construction and preservation of state highways and roads. Most of the revenue that supports the transportation budget comes from the state gas tax and permits, licenses, and other fees. The final budget appropriates \$13.4 billion and made significant investments towards major highway projects (\$5.4 billion), the state’s ferry system (\$1.3 billion), and fish and culvert removal and repair (\$1 billion). Notably, this is the first year the state can utilize funding from the Climate Commitment Act that passed in 2021. [Nearly \\$1 billion will be used](#) for projects that support conversion to zero-emission transportation.

Links to the 2023-2025 Transportation Budget: [Text of the Budget](#) & [Summary Documents](#)

Links to Adopted Budgets

- 2023-2025 Operating Budget: [Text of the Budget](#) & [Summary Documents](#)
- 2023-2025 Capital Budget: [Text of the Budget](#) & [Summary Documents](#)
- 2023-2025 Transportation Budget: [Text of the Budget](#) & [Summary Documents](#)

2023 Port Budget Priorities

Again, whether its \$115M dedicated for Remedial Action Grants, \$54.3M for port electrification and zero emission dray truck program pilots or \$50M dedicated for public sector match for broadband deployment, ports had a successful session in achieving budget priorities. While all three budgets were able to escape any significant cuts as state revenues begin to fall, next year will likely not be as easy. An early sign of headwinds: \$50M in future funding for MTCA capital projects is transferred into the MTCA operating account to help balance the budget in 2025.

2023 Policy Bills

As noted above, bill action from the Governor will conclude on May 16. The below bills passed the legislature and likely will be signed into law. Should a veto or partial veto occur, this report will be updated after May 16. Additionally, any bill that did not advance in 2023 will be alive and eligible for consideration in 2024.

Notable legislation important to Ports:

Aviation

- **Alternative Jet Fuel: [SB 5447](#)**, sponsored by Senate Majority Leader Andy Billig (D-Spokane), will put in place tax incentives and other policy changes that seek to attract Alternative Jet Fuel producers to Washington. The legislation also features a tax break for airlines that use the fuel, though that tax incentive won’t take effect until a production facility for AJF is located in Washington state. WPPA supported this bill throughout the process with committee testimony and also as part of the coalition of advocates that was communicating support in individual member conversations. Thanks to the port members who weighed in as this bill advanced, WPPA will continue to monitor its implementation and how it impacts our members. Full text of final bill can be found [here](#) and a summary can be found [here](#).

- **Studying the need for increased commercial aviation services:** [HB 1791](#), sponsored by Rep. Fey (D-Tacoma) will 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 because it balances the legislative interest in slowing the process down without completing stopping forward progress in determining a site to accommodate future air service. The final bill can be found [here](#) and a summary can be found [here](#).
- **Dead**
 - ◊ *Establishing an aviation and aerospace advisory committee:* [HB 1040](#)
 - ◊ *Providing tax incentives for development at public use airports:* [HB 1331](#)
 - ◊ *Concerning the distribution of aircraft fuel tax revenue:* [HB 1395](#)
 - ◊ *Modifying the aircraft fuel excise tax:* [SB 5281](#)
 - ◊ *Lead in Aviation Fuel:* [HB 1554](#)

Boating & Marina

- **Addressing Plastic Pollution:** HB 1085, sponsored by Rep. Mena (D-Tacoma) was modified at WPPA request to allow the current standard for hard cased styrofoam floats to continue to be used. The final bill can be found [here](#) and a summary can be found [here](#).
- **Derelict Vessels:** HB 1753, sponsored by Rep. Bronoske, will streamlines the derelict vessel removal process by allowing email notification to vessel owners and decreasing the notification timeline prior to taking custody. The final bill can be found [here](#) and a summary can be found [here](#).
- **Derelict Vessels:** SB 5192, sponsored by Sen. Shewmake, authorizes administrative law judges to supplement the three members of the Pollution Control Hearings Bord (PCHB) in order to expedite the appeal process prior to removal of derelict vessels. The final bill can be found [here](#) and a summary can be found [here](#)
- **Dead**
 - ◊ *Modifying boater safety and education requirements:* [SB 5597/](#)[HB 1781](#)

Broadband

- **Tax exemption for telecommunications infrastructure for federally recognized tribes:** [HB 1711](#), sponsored by Rep. Chapman (D-Port Angeles) will provide a sales and use tax exemption for internet telecommunications infrastructure projects involving a federally recognized Indian tribes. The final bill can be found [here](#) and a summary can be found [here](#).
- **Dead**
 - ◊ *Creation of a state broadband map:* [HB 1746](#)

Economic Development

- **.09 public facilities tax:** [HB 1267](#), sponsored by Rep. Tharinger (D-Dungeness), will extend the sunset for the .09 public facilities tax to December 31, 2054. The final bill can be found [here](#) and a summary can be found [here](#).
- **Tourism promotion:** [HB 1258](#), sponsored by Rep. Ryu (D-Shoreline), will reactive tourism efforts in Washington state by providing additional funding for Washington Tourism Marketing Authority and changes the match requirements from two-one to one-one. A robust tourism industry continues to be important to several WPPA members. The final bill can be found [here](#) and a summary can be found [here](#).
- **Grant Writers:** [SHB 1783](#), sponsored by Rep. Sandlin, will provide resources to 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 final bill can be found [here](#) and a summary can be found [here](#).

- **Site Readiness:** [SB 5229](#), will 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 final bill can be found [here](#) and a summary can be found [here](#).
- **Washington State Manufacturing:** [2SSB 5269](#), sponsored by Sen. Shewmake, would elevate zero-emissions manufacturing by creating a Sector Lead program at Commerce.
- **Tax Increment Financing:** [HB 1527](#), sponsored by Rep Wylie, will make technical corrections to the Tax Increment Financing statute. It was drafted at the request of port districts to keep existing projects, including the Port of Vancouver's Terminal 1 project, moving forward. The final bill can be found [here](#) and a summary can be found [here](#).
- **Dead**
 - ◇ *Creating the Washington state public infrastructure bank:* [SB 5509](#)
 - ◇ *Innovation Grant program for Associate Development Organizations (ADO's):* [SHB 1717](#)
 - ◇ *Requiring state agencies to share information to encourage economic development:* [HB 1398](#)
 - ◇ *Concerning the role of the department of commerce in monitoring and providing technical assistance related to federal funding opportunities:* [SHB 1767](#)
 - ◇ *Concerning economic resilience planning:* [SHB 1778](#)

Energy

- **Transmission Planning:** [SB 5165](#), sponsored by Sen. Nguyen (D-West Seattle), was introduced at the request of the Governor, and aims to increase transmission in the state by adding several transmission planning requirements to utility integrated resource plans. The final bill can be found [here](#) and a summary can be found [here](#).
- **Hydrogen Authority for Public Transit Agencies:** [HB 1236](#), sponsored by Rep. Hackney (D-Tukwila), will authorize most public transit agencies in Washington to produce, use, sell, or distribute green electrolytic hydrogen and renewable hydrogen. The final bill can be found [here](#) and a summary can be found [here](#).
- **Increased Revenue to Local Governments/Clean Energy Projects:** [HB 1756](#), sponsored by Rep. Ramel (D-Bellingham), will provide a property tax exemption for renewable energy projects and instead will allow for an excise tax on new renewable energy resources, and in doing so will direct those excise tax revenues to the county, to local school districts and to local tribal governments. This bill is intended to incentivize local jurisdictions to allow new renewable projects. The final bill can be found [here](#) and a summary can be found [here](#).
- **Wind Turbine Recycling Study:** [SB 5287](#), sponsored by Sen. Wilson (R-Longview), will require the Washington State University Extension Energy Program to conduct a study on the feasibility of recycling wind turbine blades installed in Washington. The final bill can be found [here](#) and a summary can be found [here](#).
- **Dead**
 - ◇ *Phasing Out of Natural Gas, put forward by Puget Sound Energy:* [HB 1589](#)
 - ◇ *Adding Advanced Nuclear Reactor Technology to the State Energy Strategy:* [HB 1584](#)
 - ◇ *Incentivizing gas companies to develop and acquire renewable energy resources:* [SB 5659/HB 1619](#)
 - ◇ *Energy Navigator Program:* [2SHB 1391](#)
 - ◇ *Modifying Net Metering Laws:* [SHB 1427](#)
 - ◇ *Establishing tax incentives for research, development, production, and sales of hydrogen fuel cells:* [SB 5091/HB 1729](#)

Environment & Natural Resources

- **Clean Energy Siting:** HB 1216, sponsored by Rep. Fitzgibbon, seeks to streamline permitting and siting of clean energy facilities in Washington by creating: a new designation for clean energy projects of statewide significance; a new coordinated permitting process; and development of non-project environmental impact statements for certain clean energy projects. The final bill can be found [here](#) and a summary can be found [here](#).
- **Petroleum Underground Storage Tanks:** HB 1175, sponsored by Rep. Doglio, directs the Pollution Liability Insurance Agency to establish a state financial assurance program for owners and operators of petroleum underground storage tanks. The final bill can be found [here](#) and a summary can be found [here](#).
- **Climate Planning/GMA:** [HB 1170](#), sponsored by Rep. Street (D-Seattle), requires the Department of Ecology to update the Integrated Climate Change Response Strategy by September 30, 2024, and every four years thereafter. The final bill can be found [here](#) and a summary can be found [here](#).
- **Protecting orcas from vessels:** [SB 5371](#), sponsored by Sen. Lovelett (D-Anacortes) establishes a 1,000-yard setback distance for commercial recreational vessels from southern resident orcas, bringing them under the same law as commercial whale-watching vessels. The bill also provides additional exemptions from distance restrictions and is set to take effect from January 2025. The bill will also modify the commercial whale watching business license fees, eliminate certain fees, and create paddle tour business and paddle guide licenses, which will be distinct from commercial whale watching business licenses. The final bill can be found [here](#) and a summary can be found [here](#).
- **Dead**
 - ◊ *Encouraging salmon recovery through voluntary stewardship:* [HB 1076](#)
 - ◊ *Washington Recycling and Packaging Act:* [2SHB 1131](#)
 - ◊ *Riparian areas:* [SB 5266/1215](#)
 - ◊ *Lighting products:* [HB 1185](#)
 - ◊ *Net Ecological gain:* [HB 1735](#)
 - ◊ *Providing carbon sequestration and ecosystem services in the management of public lands:* [SB 5688/HB 1789](#)

Governance

- **Authority of cargo and passenger ports:** [HB 1257](#), sponsored by Rep. Hackney (D-Tukwila), will give ports that move cargo or passengers the authority to continue meeting to discuss rates and charges and other best practices for port operations. This bill extends the state's antitrust protection to those ports and responds to a recent shift in interpretation at the Federal Maritime Commission called the antitrust immunity of ports joining the Northwest Marine Terminals Association into questions. The final bill can be found [here](#) and a summary can be found [here](#).
- **Periodic Adjustments:** [HB 1254](#), sponsored by Rep. Street (D-Seattle), will 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 final bill can be found [here](#) and a summary can be found [here](#).
- **Special Purpose Districts Governing Body Vacancies:** [SB 5437](#), sponsored by Sen. MacEwen (R-Shelton) will 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. As the bill advanced through session, WPPA along with other special purpose districts were able to work with the sponsor to mitigate concerns. The final bill can be found [here](#) and a summary can be found [here](#).

- **Prohibiting Utility Shutoffs During Extreme Heat:** [HB 1329](#), sponsored by Rep. Mena (D-Tacoma), was introduced at the request of Attorney General Bob Ferguson and will prohibit utilities, including ports who provide utilities, from disconnecting customers for non-payment during episodes of high heat. The bill has significantly improved since introduction including requiring customers to contact the utility for reconnection versus the utility reconnecting customers automatically during high heat events. The final bill can be found [here](#) and a summary can be found [here](#).
- **Enhanced Voting Rights Act of Washington: HB 1048**, sponsored by Rep. Mena (D-Tacoma), builds upon the voting rights act of Washington that was enacted in 2018. Throughout the process WPPA indicated support for the underlying intent of the bill (open, fair and representative elections) while also expressing concerns with potential unintended consequence of the legislation. Ultimately, the bill passed this year and WPPA will now shift focus toward educating members about the new law and steps to take to protect port districts from unintended consequences. The final bill can be found [here](#) and a summary can be found [here](#).
- **Increasing Local Government's Ability to Contract with Community Service Organizations:** [HB 1086](#), sponsored by Rep. Shavers (D-Oak Harbor) will reduce the required "match" provided by a nonprofit entity receiving grant funding from a government entity for a public improvement project. It also increase the total grant that can be made, under this particular section of law, from \$25,000 to \$75,000. Certain provisions of this bill were long-held priorities for the Port of Seattle, and were first introduced in 2019 before finally passing in the 2023 session. The final bill can be found [here](#) and a summary can be found [here](#).
- **Dead**
 - ◊ *Prejudgment interest - allowing interests for judgements against public agencies to start to accrue before a claim:* [SB 5059](#)
 - ◊ *Establishing guidelines for government procurement and use of automated decision systems to protect consumers, improve transparency, and create more market predictability:* [SB 5356](#)

Labor

- **Apprenticeship Utilization:** HB 1050, sponsored by Rep. Ricelli, would require port public works projects over \$2 million to achieve 15% use of apprenticeships. Throughout session, WPPA shared that while 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 legislature amended a study into this bill which should help ports and other local governments prepare for this change. The legislation will not take effect until 2024. The final bill can be found [here](#) and a summary can be found [here](#).
- **Streamlining Commercial Driver's Licenses:** [HB 1058](#), sponsored by Rep. Paul (D-Oak Harbor), will implement a number of measures to streamline commercial drivers licensing. Included in the bill are policies for previously surrendered licenses, allowing licenses to be renewed online, and modifying license test fees. The final bill can be found [here](#) and a summary can be found [here](#).
- **Concerning privileged communication between employees and the unions that represent them:** [ESHB 1187](#), sponsored by Rep. Hackney (D-Tukwila), will create a new legal privilege for communications between a union representative and a union member when that communication was made during union representation. The final bill can be found [here](#) and a summary can be found [here](#).
- **Paid Leave Premiums:** [SB 5286](#), sponsored by Sen. Robinson (D-Everett) and Sen. King (R-Yakima), is a bipartisan proposal that will develop a new way to calculate salaries as well as create reserves for the WA Paid Family Leave Account to address solvency issues. The language came from

[Washington's Paid Family Medical Leave taskforce](#) which is made up of labor and business representatives. The final bill can be found [here](#) and a summary can be found [here](#).

- **Restroom Access for Motor Carriers:** Building on legislation passed last year, [SHB 1457](#) Concerning a motor carrier™s ability to access restroom facilities required by rules authorized under chapter 49.17 RCW expands all to destinations or origins sites where truck pick-up or drop off a load are required to provide access to services.
- **Dead**
 - ◇ Expanded leave for railroad workers: [ESSB 5267](#)
 - ◇ Concerning the prevailing wages on public works. [ESSB 5726](#)

Public Works

[SB 5268](#), makes significant improvements to the Small Works Process, including raising ports Small Works threshold to \$350,000. The Limited Small Works authority now allows ports, under certain circumstances, to direct purchase up to \$150,000. MRSC is instructed to build a new statewide Small Works Roster. This work will require input from ports to make sure the work can be beneficial to all of our members.

- **Dead**
 - ◇ Concerning small works rosters: [SSB 5684](#)
 - ◇ Concerning port districts public works contracting: [SB 5458](#)
 - ◇ Expanding the definition of public work: [SB 5418](#)

Transportation

- **Freight Mobility Strategic Investment Board (FMSIB):** [HB 1084](#) was signed by Governor Inslee on April 25th. The bill makes modest changes to the board including the addition of four new members. The move does remove direct grant making authority from the board, however, the legislature funded nearly \$30 million in board priorities this session, including \$300,000 for the 2024 Marine Cargo Forecast. This is the first funding FMSIB priorities have received in four years
- **WSDOT Grant Programs:** WPPA also supports [SB 5742](#), which would codify certain elements of the Freight Rail Investment Bank (FRIB) program and the Freight Rail Investment Bank program. WPPA is seeking to codify a longer repayment for loans made by the FRIB program
- **Dead**
 - ◇ *Road Usage Charge: WPPA joined a long list of folks at the House Transportation Committee sharing general support for a Road Usage Charge only to have the bill stall. A RUC is specifically designed to be a replacement for gas tax revenue. Early adoption has focused on electric vehicles which currently pay a flat fee in place of a gas tax.*
 - ◇ *Freight Rail investment Incentives: HB 1371 made it out of the House but a large fiscal note showered up on the amendment and it was more than the Senate Ways & Means Committee was willing to spend*

Tax

- **Port Unified Tax Levy:** [HB 1663](#), a request by the Chelan Douglas Regional Port Authority, allows the “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.
- **Capital Gains:** While not legislation that was passed during the 2023 legislative session, the Washington State Supreme Court did uphold the Capital Gains tax passed in 2021. The first collections of the tax were due April 18, 2023

- **Dead**

- ◇ *Margins Tax: This bill would have abolished the State's Business & Occupation Tax in favor of a simpler tax on income.*
- ◇ *Reet: A proposal to raise the Real Estate Excise Tax Failed.*
- ◇ *Removing the 1% Property Tax Cap: Counties pushed to have the property tax cap removed.*

Looking Forward: The 2023 Legislative Session saw action on many areas of interest to ports, and enactment of bills and budget items that will impact port operations. WPPA will track these and will be back in touch with members with information on implementation. A few of those items are summarized here:

- **Port electrification:** On July 1st, 2023, the Washington State Department of Transportation will receive its allocation of \$26.5m to grant out to port districts to support decarbonization work. While four port projects – in Bremerton, Seattle, Everett, and Anacortes—received direct appropriations, all other ports are eligible to apply for funding under this section. WPPA will be working with WSDOT to develop the grant program and will be in touch with members with more information as soon as details become available.
- **Briefing on SB 5437 implementation:** SB 5437 was designed to provide more transparency in the selection of those filling vacancies on locally elected commissions. This law sets a nomination process which may or may not follow your ports existing process by having remaining commission members nominate one or more candidates to fill the vacancy and then solicit additional nominations from the district voters. WPPA will work with to provide analysis and recommendations on how to consider changes to your ports process for filling commission vacancies.
- **Changes to Voting Rights Act-** How will HB 1048 impact port district elections?: With updates to the state's 2018 enactment of the Washington Voting Rights Act, there may be changes in store for local government elections. The new law takes effect on January 1, 2024, and WPPA will work with member ports to better understand how this might effect their elections going forward.

Finally, we've discussed pulling together a survey to ask our members, ports and associates, how they interact with our Legislative Updates during session and other elements of our advocacy. Please stay tuned for more information on this item as well, we'd love to have your feedback on how you thought we did in 2023.

With that, we will conclude our 2023 Legislative Session reporting, and end with this final piece of information: The Washington State Legislature will convene on January 8, 2024, for a 60-day session.

See you then!

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