



## Week 4 Report

February 3, 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

This week, ports took on the capital for our Annual Ports & Maritime Day! It was a rousing success, thanks to the attendance and active participation of so many WPPA members. Thank you for making the return to in-person advocacy such a good event!

We began with a breakfast where ports heard from House Transportation Chair Jake Fey, newly-elected Representative Kevin Waters (former Port of Skamania County Commissioner!), Chris Green from the State Department of Commerce, and Senate Transportation Chair Marko Liias. After a break during which port members spread across the hill to meet with their member offices, we convened a lunch that included our partners at the Washington Maritime Federation and the Washington Economic Development Association. That lunch featured still more elected speakers, concluding with the Senate Democratic Leader and Republican Leader offering a brief overview of their caucus's priorities for the session.

The highlight was without a doubt the packed house at the Olympia Yacht Club for the Ports and Maritime Reception. The three-hour event featured Pacific Northwest Seafood with a water view, and we were lucky to be joined by TWENTY-SIX lawmakers. That is a sign of the good relationships our members have with their legislative offices, as they clearly opted for our event when there several others happening around the Capitol that night.

### 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 and previous copies of our report, visit our website at: [washington-ports.org](http://washington-ports.org)*

### NEXT WEEK'S HEARINGS

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

#### **Monday, February 6th**

*10:30 am S Labor & Commerce: SB 5563  
Concerning how the prevailing wage for public works is determined.*

*1:30 pm H Enviro & Energy: HB 1619  
Incentivizing development and acquisition of renewable energy resources.*

*4:00 pm S Ways & Means: SB 5465  
Increasing tourism to Washington state*

The momentum from Ports and Maritime Day will carry us forward through the busy next few weeks, as the pace of the legislature continues to quicken. Lawmakers and lobbyists are working swiftly to review, amend, and pass bills out of committee to keep them moving through the process. WPPA staff, including our contract lobby team, is actively managing the details, participating in conversations around supporting or crafting alternative bill language. Moving forward, the amount of bill introductions will begin to slow as we approach the first legislative deadline, February 17, when all bills must pass out of their respective policy committee to remain alive.

## Aviation

### *Aviation & Aerospace Advisory Committee*

[HB 1531](#) will be heard in the Innovation, Community & Economic Development & Veterans Committee on Wednesday. The bill is the second this session designed to codify the Aviation & Aerospace Advisory Committee into law. This bill specifically prohibits the committee from considering airport siting as part of its scope of work. WPPA supports this legislation which is scheduled to be voted out of committee next Friday.

### *Sustainable Aviation Fuel*

This week, WPPA joined a coalition of airlines, airports, fuel producers, and energy project developers to provide testimony in support of Alternative Jet Fuel Legislation. [SB 5447](#) would put in place tax incentives that seek to attract fuel producers who are looking to Washington state as a potential location to manufacture alternative jet fuel. Many ports have been approached about siting alternative jet fuel facilities, and the Port of Seattle wants to burn the fuel at SEA. Companion legislation, [HB 1505](#), is up in the House in the coming week and WPPA will once again join a group to offer support.

### *Ban on Low Lead Aviation Gas*

WPPA testified opposed to [HB 1554](#) which is slated to ban the sale and distribution of 100 low lead av gas statewide by 2030. WPPA has proposed additional work by the state to determine a pathway for airports and their fixed-based operators to commercialize an alternative no-lead fuel alternative versus an outright ban. A ban of this magnitude would disrupt critical revenue generated by fuel sales at airports and could have impacts on entitlement funding airports receive from the FAA.

## **Tuesday, February 7th**

*8:00 am H Finance: SHB 1267 Concerning rural public facilities sales and use tax.*

*HB 1527 Making technical corrections to the local tax increment financing program.*

*8:00 am S Local Gov, Land Use & Tribal Affairs: SB 5613 Concerning rural public facilities sales and use tax.*

*10:30 am H Innovation, Community & Economic Dev., & Veterans: HB 1717 Supporting innovation at associate development organizations.*

*8:00 am H Innovation, Community & Economic Dev., & Veterans: HB 1746 Concerning a state broadband map.*

*1:30 pm H Capital Budget: HB 1231 Accelerating rural job growth and promoting economic recovery across Washington through site readiness grants.*

## **Thursday, February 9th**

*4:00 pm S Ways & Means: SB 5268 Addressing equity and efficiencies in public works procurement.*

## **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.).*

## Economic Development

### *Site Readiness*

WPPA continues to work to support [HB 1231](#) and [SB 5229](#), legislation that would include site readiness as an eligible use for CERB planning grants and would also temporarily eliminate the cap on how much the board can award to planning grants. The current cap is set at \$50,000. [HB 1231](#) has been referred to the Capitol Budget Committee where it will be heard on February 9th. [SB 5229](#) was heard in the Senate Ways and Means Committee on Thursday. WPPA's Chris Herman, along with Sara Young, Port of Skagit and Jennifer Wray-Keene, Port of Woodland testified on the legislation and you can find the [link here](#). (Testimony begins at 37:30)

### *Tax Increment Financing – Technical Corrections*

WPPA continues to work in support of TIF fix bills moving in both chambers. [SB 5539](#)/[HB 1527](#) make technical corrections to the Tax Increment Financing statute to clarify program intent and to ensure ports don't need to sell land in order to develop a TIF. WPPA joined Port of Vancouver and Chelan Douglas Regional Port Authority (CDRPA) to provide testimony to the Senate Business, Financial Services, Gaming, and Trade Committee on Tuesday, January 31st, and the Association will once again voice support in the House when HB 1527 is heard on Tuesday, February 7th. The bills enjoy bipartisan support in both chambers, an indication of the good work done in the interim by member ports. Video of the hearing on [SB 5539](#) can be [found here](#) (NOTE: the link will take you to the moment the hearing on the TIF bill begins, the port member testimonies begin at 31:00 mark).

### *Tourism*

Legislation to promote Washington state tourism ([SB 5465](#)/[HB 1258](#)) has now been heard in both chambers, with WPPA and member ports showing up to express support. After the Port of Pasco provided testimony in the first House hearing, the bills now head to fiscal committees where testimony will be quick and typically focuses on financial impacts. WPPA will continue voicing support and will reach out to ports with legislators who sit on the Senate Ways and Means Committees to coordinate some targeted outreach. We continue to host a bi-weekly group conversation with other supportive entities to ensure the legislation continues to advance.

## Energy

### *Advanced Nuclear Reactor Planning*

On February 7th, [HB 1584](#), sponsored by Rep. Barnard is scheduled for a public hearing in the House Committee on Environment & Energy. If passed, this would add advanced nuclear technology as a guiding principle for the development of the State Energy Strategy as a clean energy source. Additionally, it directs the Department of Commerce to actively seek to maximize federal and other nonstate funding and support for the management of spent nuclear fuel. [SB 5129](#) seeks to enact the

*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.*

same policies, and has already passed out of policy committee and is currently in the Senate Rules Committee. Ports in the Tri-Cities Area and the WPPA voiced support for the Senate bill and the Association will contact member ports to coordinate engagement for this week's House hearing.

### *PSE Natural Gas Proposal*

This year, Puget Sound Energy, the state's largest investor-owned utility, has brought forward legislation that would provide a glide-path to moving away from providing natural gas service as a response to concerns about carbon emissions. The bills, [HB 1589](#) and [SB 5562](#), do not call for discontinuing service to current natural gas customers however would eliminate new connections after June 2023. The intention is for this bill to only apply to PSE and not all gas utilities.

On Feb.1, the Senate had a public hearing on this legislation. Testimony was mixed - support for decarbonization but needing additional changes, and concerns about the scope being too broad, and questions about cost and reliability. The House bill is scheduled for a public hearing on Feb. 6. Both bills are scheduled for executive action next week.

## **Environment and Natural Resources**

On February 1, the House Appropriations Committee heard [HB 1175](#). The bill - Creating 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. The bill is scheduled for executive action on February 8th.

The Senate and House Agriculture and Natural Resources Committees heard their respective version of companion bills [SB 5433](#) and [HB 1378](#) regarding removal of derelict aquatic structures. The bills are Department of Natural Resources request bills that create a state program to fund removal of these structures. WPPA convened a meeting the first week of session between DNR staff and representatives from member ports that work on derelict structure removal, to attempt to reach consensus on a path forward for the legislation. WPPA testified on both bills, expressing a neutral position, but indicating more work needs to be done on the measures, especially in regard to the nearshore credit program. WPPA will continue to work to ensure this legislation is complimentary to the work we already do.

## **Governance**

### *Prohibiting Utility Disconnections During Extreme Heat Events*

Companion bills, [HB 1329](#) and [SB 5366](#), would prohibit utilities from disconnecting customers during high-heat events and require reconnections of existing customers. As currently drafted, this bill impacts all utilities who provide water and electricity in the state, including those provided by ports. The sponsors have indicated a willingness to work with concerns related to operational and safety issues with the bill as currently drafted. The Senate bill had a public hearing on Jan. 31 and is scheduled for executive action on Feb 10; The House bill is scheduled for executive action on Feb 9. We anticipate seeing a new draft in the coming days.

### *Filling Vacancies on the Governing Body of Special Purpose Districts*

WPPA is working with the bill sponsor on [SB 5437](#). The bill intends to provide more transparency on the process of filling vacancies on the governing body for all special purpose districts, including port districts. WPPA is concerned that the bill currently requires a minimum of two candidates be nominated for a commission opening, something that is not always possible, particularly for our smaller districts.

## Labor

*Concerning Privileged Communication Between Employees and the Unions That Represent Them*  
[HB 1187](#), sponsored by Rep. Hackeny (D-Tukwila) would create a new legal privilege for communications between a union representative and a union member when that communication was made during union representation. This week, a Senate companion was introduced, [SB 5706](#) by Sen. Frame (D-Seattle). The house bill had a public hearing on January 18, and is scheduled to be voted out of committee on Feb 8. WPPA has received some feedback from ports that are concerned at the impact of this legislation, and we have raised concerns with the bill sponsor. We are continuing to collect port perspectives, so please contact us if you'd like to share your own thoughts.

### *Paid Family Medical Leave*

[The bipartisan proposal](#), ([SB 5286](#)), to fix certain components of Washington's Paid Family Medical Leave continues to advance through the legislative process. On Feb. 1 the bill was unanimously voted out of the Senate. Given the support from both the labor and business community, we anticipate this bill moving quickly through the legislative session.

## Public Works

### *Small Works*

The Senate State Government & Elections Committee voted unanimously to advance a substitute version [SB 5268](#) to Ways & Means on Friday. WPPA testified in support of the bill which makes significant improvements to the Small Works Process, including raising ports Small Works threshold to \$350,000. The House version, [HB 1306](#), was also voted out of the Innovation, Community & Economic Development, & Veterans Committee on Friday in unamended status. WPPA supports the technical amendments included in [SB 5268](#) and believes they are necessary for the policy to be adopted. A competing bill [SB 5684](#) conflicts with [SB 5268](#) and will be heard in committee on February 7th. WPPA will weigh in with concerns on this bill.

### *Expansion of Public Works Definition*

WPPA has concerns and will testify on [SB 5418](#) on February 7th in the Senate State Government & Elections Committee. The bill would broadly expand the definition of public works to include work formerly classified as personal services, like janitorial services, or another classification. The bill does not make corrections to corresponding statutes leaving ambiguity around which procurement processes and wage rates would apply.

### *Prevailing Wages*

WPPA continues to work with interest groups on making modifications to [HB 1099](#). The bill as written would require workers be paid prevailing wage based on when the work is performed instead of when the contract was executed. WPPA continues to work to overcome implementation challenges. The bill also currently conflicts with port's unit price contracting statute.

## Transportation

### *Authority of Cargo and Passenger Ports*

Legislation brought forward by WPPA and member ports regarding antitrust immunity and our ability to meet at the Northwest Marine Terminals Association had its first hearing at the House Transportation Committee on Wednesday, February 1st. The bill would simply maintain an authority that ports have enjoyed through the federal shipping act since 1937, after recent federal action questioned that authority. WPPA coordinated a testimony panel featuring Port of Kalama, Port of Bellingham, and Port of Longview.

The three ports together provided the committee with a clear description of how the recent federal decision has impacted their operations, and the committee was engaged and seemed to understand the issue. The legislation has not yet been scheduled for Executive Session, so WPPA staff will work to ensure it can advance before the February 17th committee deadline. If you're interested in watching the port panel on [HB 1257](#) at the February 1st hearing, follow [this link](#) (NOTE: The link will take you to the beginning of the hearing on [HB 1257](#), the port member testimony begins at the 29:00 mark).

#### *Freight Rail Investment Incentives*

Both [HB 1371](#) and [SB 5494](#) were heard in their respective committees this week. The bills seek to incentivize infrastructure spending on freight rail by providing tax incentives to both owners and operators. WPPA is participating in the drafting of this legislation and encourages members that would benefit from it to testify. [HB 1371](#) was heard in the House Finance Committee on Tuesday and [SB 5494](#) was heard Thursday in the Senate Business, Financial Services, Gaming & Trade. WPPA and other interests are busy working on amendments designed to address concerns raised by the bills. One amendment being proposed would allow a broader definition to include ports that own rail facilities versus the current language which is specific to port-owned railroads.

**WPPA Phone: 360.943.0760**

**Website: <https://www.washingtonports.org/>**

**Eric ffitch:**

**[effitch@washingtonports.org](mailto:effitch@washingtonports.org)**

**Chris Herman:**

**[cherman@washingtonports.org](mailto:cherman@washingtonports.org)**