

Washington Public Ports Association Week 1 Legislative Report 01.18.25

The Washington State Legislature convened on Monday, January 13th, for the start of the 105-day Legislative Session. More than just the start of a new session, this week also kicks off the 2025-2027 biennium and budget-setting process; the first inauguration of a new governor in twelve years; and the arrival in Olympia of a slate of new statewide elected officials and twenty-four newly-elected lawmakers. With all those novel dynamics, legislators now focus on crafting new two-year state budgets while also tackling key policy

issues.

here.

As you might expect, the week was filled with opening ceremonies, swearings-in, receptions, and even a black-tie gala. Governor Bob Ferguson was sworn in as Washington's 24th Governor just about midday on Wednesday, January 15th. And he didn't waste any time laying out his vision for the early days of his Administration: in his inaugural address, he emphasized priorities such as housing affordability, public safety, and education. He pledged to focus on bipartisan solutions to address the state's most pressing challenges, including the projected \$10 to \$12 billion budget shortfall. Notably, and as you've likely seen covered at length in the media, he was strident on his approach to budgeting, stating clearly: "...the era of assuming unrealistic growth in revenue is over. To be specific, I will not sign a budget that requires unrealistic revenue growth to balance." The full transcript of Governor Ferguson's inaugural speech can be found

As the pageantry and pomp carried on at the Capitol, the House and Senate had already set to work: in the first week alone, members of each chamber have introduced over 300 bills—meaning that as we write this report, there are already nearly 700 new bills under consideration.

As always, legislative deadlines will play a key role in shaping the session's pace and narrowing that list of bills.

AT A GLANCE

Length: 105 days; Regular session began on January 13, 2025

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: <u>washingtonports.org</u>

SESSION CUTOFF DATES

- Feb. 21, 2025: House of Origin Policy Cutoff
- Feb. 28, 2025: House of Origin Fiscal Cutoff
- March 12, 2025: House of Origin Floor Cutoff
- March 24, 2025: Opposite House Policy Cutoff
- March 31, 2025: Opposite House Fiscal Cutoff
- April 9, 2025: Opposite House Floor Cutoff
- April 27, 2025: Last Day of Session

For more information about cutoff dates, visit: leg.wa.gov

The first major cutoff arrives in just thirty-four days, the Policy Committee Cutoff: when all bills must pass out of their respective policy committees to remain eligible for advancement during session. The Fiscal Committee Cutoff comes not long after, on February 28th, and will bring the universe of bills that might actually pass into clearer focus.

This week, WPPA staff attended committee hearings and work sessions, presented at the Washington State Transportation Commission meeting, and met with stakeholders and legislators on priority bills. The proposed Operating, Transportation, and Capital budgets from outgoing Governor Inslee were heard in the House and Senate fiscal committees, and various agencies from Ecology to WSDOT were invited to present overviews of their programs and budgets. To read more about the budget proposals, please check out our <u>Legislative Session and Budget Preview</u>.

Below, we have highlighted and summarized the top bills on our tracking list that are moving through the legislature. Each week, we will provide updates on where these bills are in the process and provide context for how they may impact our members. Please note that we will only include bills that we have deemed "high or medium" priority and that are currently moving forward in the process. For a full list of the bills we're tracking, of all priority levels, or to raise a specific bill you don't see in the list below, please contact WPPA staff directly.

WPPA Weekly Bill Tracking Update

Aviation

Aircraft Fuel Tax Revenue Distribution:

<u>HB 1083</u>, sponsored by Rep. Dent (R-13th LD, Moses Lake), requires a portion of aircraft fuel excise tax be deposited in the aeronautics account for use in the airport aid grant program administered by WSDOT. Currently, these funds are deposited in the general fund. The bill has been referred to the House Appropriations Committee. A public hearing has not yet been scheduled for this bill. WPPA supports this bill.

Promoting the Use of Unleaded Aviation Fuel:

<u>HB 1084</u>, sponsored by Rep. Dent (R-13th LD, Moses Lake), is designed to incentivize the adoption of lead-free aviation fuels by providing excise tax exemptions to businesses and consumers who utilize them. The bill has been referred to the House Finance Committee. A public hearing has not yet been scheduled for this bill. WPPA supports this bill.

Broadband

No bills included in this report

Economic Development

Increasing Local Access to Federal Funds:

<u>HB 1057</u>, sponsored by Rep. Barnard (R-8th LD, Pasco), requires the Department of Commerce to provide additional assistance to local economic development organizations in applying for federal funds and expands eligibility in the department's grant writing assistance program.

WPPA testified in support of this bill during the public hearing on January 17th in the House Technology, Economic Development, & Veterans Committee and it is scheduled for an executive session on January 21st.

Reauthorizing the Interagency, Multijurisdictional System Improvement Team:

SB 5034, sponsored by Sen. Boehnke (R-8th LD, Kennewick), would permanently codify the Interagency, Multijurisdictional System Improvement Team, also known as SYNC, to facilitate greater coordination among state infrastructure programs. The bill is scheduled for a public hearing on January 21st in the Senate State Government, Tribal Affairs & Elections Committee and is scheduled for an executive session on January 24th. WPPA supports this effort to improve the way ports apply for and receive infrastructure funding from the state.

Non-resident Vessel Permit Length Requirements:

<u>SB 5281</u>, sponsored by Sen. Chapman (D-24th LD, Port Angeles), would increase the allowable non-resident vessel length from 200 feet in length to 300 feet in length. This legislation aims to encourage more boats to cruise Washington's waters and will allow for extended stays and services including deep maintenance and retrofitting in Washington's boatyards. WPPA is once again working with our partners from the Northwest Marine Trade Association on this bill to support our state's maritime industry. The bill has been referred to the Senate Transportation Committee. A public hearing has not yet been scheduled.

Energy

Energy Facility Site Evaluation:

HB 1237/SB 5246, sponsored by Rep. Fitzgibbon (D-34th LD, West Seattle) and Sen. Shewmake (D-42nd LD, Bellingham), seeks to help improve the process for application decisions of clean energy facilities by the Energy Facility Site Evaluation Council (EFSEC). The bill adds more certainty to what EFSEC can recommend to the Governor. The bill is scheduled for a public hearing in the House Environment & Energy Committee on January 20th and the Senate Environment, Energy, & Technology Committee on January 21st. Although we believe there is much more to be improved upon in the siting and permitting process, WPPA will support this bill as it continues to be a step in the right direction.

Joint Use Agreements for Consumer-owned Utilities:

HB 1253, sponsored by Rep. Ybarra (R-13th LD, Quincy), expands the types of agreements that class 1 cities, public utility districts, and joint operating agencies may enter regarding electricity plants and transmission facilities. If passed, cities and PUDS could partner with "any person or entity" on energy development and distribution and explicitly includes joint venture and limited liability company agreements. These agreements may be for developing renewable energy facilities and transmission storage facilities. The bill received a public hearing in the House Environment & Energy Committee on January 16th. The bill had overwhelming support from utility stakeholders. We have been monitoring this bill as it seeks to address energy supply concerns we share, however it does not directly impact ports and WPPA remains neutral on the bill at this time.

Utility Connection Charges for Industrial Symbiosis:

<u>HB 1302</u>, sponsored by Rep. Cortes (D-38th LD, Everett), would put a definition of "industrial symbiosis" into statute, and would grant municipal utilities the ability to waive connection fees for organizations undertaking industrial symbiosis development projects. The bill has been referred to the House Environment & Energy Committee and has not yet been scheduled for a public hearing. WPPA continues to review the bill to determine how it aligns with our overall interest in supporting industrial symbiosis. Some ports are actively engaged in this work and have received grant funding from the state. WPPA is currently working with the Center for Sustainable Infrastructure to support additional funding and state technical assistance for industrial symbiosis projects. We will continue to provide updates on our position on this bill and on the overall industrial symbiosis advocacy effort.

Clean Energy Development Office:

HB 1328, sponsored by Rep. Doglio (D-22nd LD, Olympia), at the request of the Dept. of Commerce. This bill would create the Clean Energy Development Office within the Dept. of Commerce which would be tasked with accelerating the development of clean energy and increase transmission capacity. The office will support local governments to integrate clean energy development and provide alternative dispute resolution services. The bill has been referred to the House Environment & Energy Committee. WPPA is supporting the bill as it provides additional resources for local governments to assist with clean energy project challenges but is also working with stakeholders to incorporate more meaningful policy changes.

County Public Utility Tax:

SB 5088, sponsored by Sen. Chapman (D-24th LD, Port Angeles), would allow counties to impose an excise tax of up to 3% on utility providers which includes electric power, gas, telephone, water, sewer, solid waste, cable service. Counties may allow an exemption for manufacturing, aircraft repair, industrial parks, industrial facilities, farm businesses, and data centers. Many organizations and individuals have already expressed their opposition to this bill. WPPA has concerns with this bill and its application and impact on port districts who provide utility services. The bill has been referred to the Senate Local Government Committee.

Vehicle Emissions Standards, Decoupling from California:

<u>SB 5091</u>, sponsored by Sen. Boehnke (R-8th LD, Kennewick), would prevent the Department of Ecology from adopting California's vehicle emissions standards. The bill has been referred to the House Environment, Energy & Technology Committee. There are many ongoing conversations and current Department of Ecology rulemaking on the California Clean Trucks Rule, see the information on rulemaking and open public comment period <u>here.</u>

Environment And Natural Resources

Rangland Fire Protection Pilot Project:

<u>HB 1048</u>, sponsored by Rep. Dent (R-13th LD, Moses Lake), would direct the Department of Natural Resources to implement a five-year pilot program to assess the effectiveness of rangeland fire protection associations in the detection, prevention, or suppression of wildfires working in conjunction with state and their local fire protection districts. WPPA supports this legislation and wildfire response efforts as general aviation airports in port districts are often used for coordination and logistical support for fire response efforts. The bill is scheduled for a public hearing in the House Agriculture & Natural Resources Committee on January 22nd.

Salmon Recovery Projects:

<u>HB 1208</u>, sponsored by Rep. Tharinger (D-24th LD, Port Townsend), would require environmental restoration projects to meet a certain set of criteria to receive streamlined statewide permit pathway review. The bill has been referred to the House Agricultural & Natural Resources Committee. WPPA is supportive of this bill and efforts to streamline and support salmon recovery and resiliency projects.

New Environmental Justice SEPA Element:

HB 1303, sponsored by Rep. Mena (D-29th LD, Tacoma), would integrate environmental justice (EJ) considerations into certain projects at the Dept. of Ecology. It would require an EJ impact statement on projects defined as a "potentially impactful project" as a part of the SEPA environmental checklist process. Additionally, as a part of the new requirement in the bill considerations of a project's economic benefit are prohibited. The bill is scheduled for a public hearing in the House Environment & Energy Committee on January 23rd. WPPA supports environmental justice considerations and acknowledges the importance of understanding the cumulative environmental and health impacts of projects on vulnerable communities. However, we do not support overly prescriptive, additional requirements that would slow down or create additional hurdles to the already-challenging permitting process.

Governance

Port Commissioner elections:

SB 5370, sponsored by Sen. Harris (R-17th LD, Vancouver) would amend Title 53 RCW to allow voters to extend port commissioner terms from four to six years, in certain circumstances. This legislation is being developed at WPPA's request. There is currently language in statute that allows voters to approve a change from six-year terms to four-year terms, but no corollary language allowing the extension of the term. If passed, this term length extension could only be done through a majority vote of all the residents of the district in question, and only after the port commission or the voters had petitioned the county to have this added to an electoral ballot. WPPA will continue to work with the bill sponsors to have the bill scheduled for a public hearing.

Labor & Workforce

Prompt Pay:

SB 5176, sponsored by Sen. Valdez (D-46th LD, Seattle), would require any payment on public works projects that exceed 30 days of receipt of a properly completed invoice to automatically remit a one percent penalty with the payment. All subcontractors must be paid within ten days after payment is received by the prime contractor. WPPA testified in support of this bill during a public hearing in the Senate State Government, Tribal Affairs & Elections Committee on January 17th. WPPA will work to minimize some of the prescriptive contracting elements found in the bill, particularly for smaller, less complex contracts. The bill is scheduled for an executive session on January 24th.

Prevailing Wage Paid When Work is Performed:

SB 5061, sponsored by Sen. Conway (D-29th LD, Tacoma), would require public works contracts to provide for the payment of prevailing wages at the time the work is performed instead of when the contract is executed. The bill is scheduled for a public hearing in the Senate Labor & Commerce Committee on January 24th. WPPA will testify in support of the underlying policy, and will continue to advocate that contractors appropriately manage labor costs through the bid and award process and not require public owners to approve change orders well after the contract has been executed.

Prevailing Wage Multiple CBAs:

<u>SB 5293</u>, sponsored by Sen. King (R-14th LD, Yakima), provides clarification on the prevailing wage when multiple collective bargaining agreements (CBAs) are in place for a particular public works project. The bill has been referred to the Senate Labor & Commerce Committee. WPPA supports this legislation due to the risk that one-off CBAs could have on the cost of labor while completing public works projects.

Land Use

No bills included in this report

Marina

No bills included in this report

Recreation & Tourism

Public Facilities District Taxing Authority:

<u>HB 1109</u>, sponsored by Rep. Ryu (D-32nd LD, Shoreline), would extend the duration of the taxing authority of public facilities districts from forty-five to sixty years. Public facilities districts work to create venues that attract visitors to their region and create economic growth. Ports are among the organizations that can partner with local governments to promote economic benefit to their communities by building these types of facilities. The facilities are paid for by the distribution of state sales tax money and the levy of parking and occupancy taxes. WPPA

supports the extension of this taxing authority to ensure the continued solvency of these facilities and will plan to sign in pro on the bill when it's scheduled for a public hearing.

Tax & Revenue

County Treasurer Costs:

<u>HB 1042</u>, sponsored by Rep. Wylie (D-49th LD, Vancouver), would allow county treasurers to levy a fee of up to 2% of total collections on all special purpose taxing districts that utilize the treasurer's office for their financial services. The bill has been referred to the House Finance Committee. WPPA and other special purpose district organizations are concerned about the potential budget impacts of this fee. WPPA opposes this bill and has been in talks with other stakeholders. A public hearing has not yet been scheduled.

Transportation

Transportation Budget Work Sessions

Both the House and Senate Transportation Committees held work sessions this week addressing the Transportation Budget. The Office of Financial Management (OFM) spelled out both a gloomy revenue outlook as well as over \$1 billion in cost escalations that have occurred since the legislature passed the supplemental transportation budget during the 2024 Legislative Session. Click on the here to watch OFM's update on the State Transportation Budget. (first 10 minutes)

Short line Freight Rail Modernization:

<u>HB 1058</u>, sponsored by Rep. Barkis (R-2nd LD, Olympia), would help modernize short line freight rail across the state. Under this bill, most port districts making investments in rail infrastructure will be eligible for a sales and use tax exemption on materials purchased as part of a rail infrastructure project. The bill has been referred to the House Finance Committee. This bill was included in <u>WPPA's 2025 Legislative Priorities</u>. We will testify in support when this bill is scheduled for a public hearing.

Motor Vehicle Sales Tax:

SB 5026, sponsored by Sen. King (R-14th LD, Yakima), would create a plan to gradually shift the revenue collected from new and used vehicle sales from the general fund to the transportation preservation and maintenance account. The bill has been referred to the Senate Ways & Means Committee. WPPA supports this bill as a viable path to increasing funding for transportation.

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