

Week 2 Report 01.25.25

As the second week of Washington's 2025 Legislative Session commenced, lawmakers transitioned from the formalities of the opening days to packed hearings featuring substantive policy discussions and long lines of lobbyists and members of the public signed up for testimony

on both sides of the Capitol Campus. The focus of the week revolved around key issues including public safety, education, and the environment, as legislators continue refining their priorities for the months ahead.

Economic policy and labor issues were also prominent, with lawmakers hearing from representatives of both workers and businesses about how policy would impact their interests. Discussions covered a wide range of topics, from support for small businesses to paid leave programs and unemployment insurance benefits. There was also considerable focus on public works contracting with the goal of ensuring cost certainty, competitive bidding, and prompt pay for contractors.

Environmental justice was highlighted at the House Environment & Energy Committee public hearing on a proposal aimed at requiring additional environmental justice considerations for certain projects, like routine stormwater improvements. <u>HB 1303</u>, sponsored by Rep. Mena (D-28th LD, Tacoma), adds environmental justice as an element of the environmental impact review and a separate part of the SEPA process. <u>WPPA testified in opposition</u>, with concerns about the bill prohibiting economic benefits in decision-making, leading to major project delays, increasing costs, and pitting economic and environmental development against each other.

Moving forward into the third week of session, the pace of legislative activity will continue to intensify. As bills move through the committee process, the scope of policy

AT A GLANCE

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

For up-to-date legislative information, visit: <u>leg.wa.gov</u>

To listen to a legislative hearing, visit: <u>tvw.org</u>

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: <u>leg.wa.gov</u>

discussions will narrow, bringing greater clarity to the legislative priorities that will shape the remainder of the session. The coming weeks will be critical in determining which proposals gain momentum and which may face challenges in advancing through the process. WPPA will continue to be engaged and actively communicating with legislators, staff members, and stakeholders.

Additionally, next week WPPA members will gather in Olympia to bring their priorities directly to their legislators. Our 2025 Port Day festivities will begin on Wednesday, January 29th at 5pm with our annual Ports and Maritime Reception at Heritage Distilling, hosted jointly with our friends at the Washington Maritime Federation (WMF). We invite members to join us for custom port-themed cocktails and local seafood courtesy of the WMF and its members. On Thursday, January 30th, we will host our Port Day program in the Columbia Room in the Legislative Building. We will hear from legislative leaders and agency directors. WPPA staff will provide updates and talking points for bills that impact the port industry. In between those breakfast and lunch conversations, our members will fan out across the capitol for meetings with their members, always an effective advocacy wave! For more information, please visit our <u>Port Day page</u>. We hope to see you there!

Action Alert - Sign in Pro on the following bills

NOTE: WPPA staff are working hard to advance the legislative proposals highlighted in this section, and we would love your support! If you're comfortable signing in "pro" to show your port's support, we would be grateful! If you're interested in signing in, but unsure of the process, please reach out to WPPA staff. We will use this area of the report to briefly spotlight bills that would benefit from your engagement.

<u>HB 1058</u>, Providing incentives to improve freight rail infrastructure – public hearing January 28th in the House Finance Committee

<u>SB 5063</u>, Providing incentives to improve freight rail infrastructure – public hearing January 28th in Senate Ways & Means Committee

<u>HB 1406</u>, Concerning Associate Development Organizations – public hearing January 29th in the House Technology, Economic Development, & Veterans Committee.

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

Broadband

No bills included in this report

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. The bill was amended and no longer expands eligibility in the department's grant writing assistance program. Expansion of the fundhub.wa.gov grants portal remains in the bill as does additional support for local governments applying for federal funds. The bill passed out of the House Technology, Economic Development, & Veterans Committee on January 21st. It has now been referred to the House Appropriations Committee. WPPA continues to support this bill.

Reauthorizing the Interagency, Multijurisdictional System Improvement Team:

<u>SB 5034/HB 1064</u>, sponsored by Sen. Boehnke (R-8th LD, Kennewick) and Rep. Abbarno (R-20th LD, Centralia), would permanently codify the Interagency, Multijurisdictional System Improvement Team, also known as SYNC, to facilitate greater coordination among state infrastructure programs. The Senate version passed out of the Senate State Government, Tribal Affairs & Elections Committee on January 24th. The House version is scheduled for a public hearing in the House Capital Budget Committee on January 30th. WPPA supports this effort to improve the way ports apply for and receive infrastructure funding from the state.

Support for Associate Development Organizations:

<u>HB 1406</u>, sponsored by Rep. Barnard (R-8th LD, Pasco), increases allocations and modifies reporting requirements for associate development organizations (ADOs). This bill is a legislative priority for WPPA and our economic development partners at the Washington Economic Development Association (WEDA). WPPA will support this bill during a public hearing on January 29th in the House Technology, Economic Development, & Veterans Committee.

Tourism Marketing Authority:

<u>HB 1437/SB 5492</u>, sponsored by Rep. Walen (D-48th LD, Kirkland) and Sen. Riccelli (D-3rd LD, Spokane), modifies the makeup of the Washington Tourism Marketing Authority and requires an advisory group be formed made up of various tourism industry business sectors. The advisory group is charged with recommending whether a self-supporting assessment is a viable future funding mechanism for the Authority. The overall goal of the proposal is to create a more sustainable funding model once the state is no longer required to contribute funding on July 1, 2025. WPPA supports these bills, as we have long engaged with tourism advocates to develop and improve the Tourism Marketing Authority. The House version is scheduled for a public hearing in the House Technology, Economic Development, & Veterans Committee on January 28th. The Senate version is scheduled for a public hearing in the Senate Version is scheduled for a public hearing in pro at both public hearings.

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. The bill is scheduled for a public hearing in the Senate Transportation Committee on January 27th. WPPA will testify in support alongside our partners from the Northwest Marine Trade Association.

Energy

Energy Facility Site Evaluation:

<u>HB 1237/SB 5246</u>, 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 received a public hearing in the House Environment & Energy Committee on January 20th and the Senate Environment, Energy & Technology Committee on January 21st, where WPPA testified in support. Some in the utility industry had specific feedback for a possible amendment to address some minor concerns. We are glad to see energy supply issues being considered but continue to ask that these proposals go further in solving statewide siting and permitting issues. An executive session has not yet been scheduled.

Joint Use Agreements for Consumer-owned Utilities:

<u>HB 1253</u>, 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. 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 and is scheduled for an executive session on January 28th. WPPA continues to monitor this bill as it seeks to address energy supply concerns, however it does not directly impact ports and WPPA remains neutral 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 is scheduled for a public hearing in the House Environment & Energy Committee on January 27th and an executive session on January 30th. WPPA will support this legislation, and we are working with our partners at the Center for Sustainable Infrastructure (CSI) to review the industrial symbiosis definition and potentially suggest modifications. We will join CSI in testimony in support of the bill and use the opportunity to emphasize the interest that ports are developing in this area.

Clean Energy Development Office:

<u>HB 1328/SB 5359</u>, sponsored by Rep. Doglio (D-22nd LD, Olympia) and Sen. Shewmake (D-42nd LD, Bellingham), at the request of the Department of Commerce. This bill would create the Clean Energy Development Office within Commerce which would be tasked with providing resources to local governments to aid in the goal of accelerating the development of clean energy and increase transmission capacity. The bill is scheduled for a public hearing in the House Environment & Energy Committee on January 27th and the Senate Environment, Energy &

Technology Committee on January 31st. WPPA is supporting the bill as it provides additional resources for things like technical assistance or alternative dispute resolution services.

County Public Utility Tax:

<u>SB 5088</u>, 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, however based on some initial conversations expressing our concerns, we do not anticipate this bill moving forward.

Fusion Energy Facilities:

<u>HB 1018/ SB 5241</u>, sponsored by Rep. Shavers (D-10th LD, Clinton) and Sen. Liias (D-21st LD, Edmonds), would add fusion energy facilities to the list of projects eligible for certification by Energy Facility Site Evaluation Council (EFSEC). The bill received a hearing in the House Energy & Environment Committee on January 20th and is scheduled for an executive session on January 27th. A public hearing on the Senate version was held on January 21st and it has not yet been scheduled for an executive session. WPPA is neutral on bill but eager to see more options made available to address energy supply challenges in the state.

Environment And Natural Resources

Emissions from Ocean-going Vessels

<u>SB 5519</u>, sponsored by Sen. Lovelett (D-40th LD, Anacortes), seeks to reduce emissions from ocean-going vessels by mandating the use of ultra-low-sulfur fuel. Senator Lovelett contacted WPPA in the fall to share the framework of this concept, and we've already solicited feedback from a few port members. Now that we have the text of the bill in hand, we will convene a group of port members to determine how to engage with the legislation as it advances. We expect a House companion bill will also come forward. The Senate proposal has not yet been scheduled for a public hearing – we will use this report to update you on our position as the bill develops. Please contact WPPA if you would like to be involved in discussions of this bill's impact to your port.

Salmon Recovery Projects:

<u>HB 1208/SB 5155</u>, sponsored by Rep. Tharinger (D-24th LD, Port Townsend) and Sen. Salomon (D-32nd LD, Shoreline), would require environmental restoration projects to meet a certain set of criteria to receive streamlined statewide permit pathway review. The bill draws inspiration from the Habitat Recovery Pilot Program, a project on the lower Columbia River. The bill received a public hearing in the Senate Local Government Committee on January 23rd. There were many groups supporting the proposal, including the Department of Fish and Wildlife. Some concerns were expressed by community groups in the Skagit Valley region about the review and approval process. The bill is scheduled for a public hearing in the House Agricultural & Natural Resources Committee on January 28th. WPPA is monitoring this bill as some ports may be eligible through

partnerships in specific instances and we support efforts to efficiently manage salmon recovery and resiliency projects.

New Environmental Justice SEPA Element:

<u>HB 1303</u>, 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, considerations of a project's economic benefit are prohibited in the new EJ impact statement. At the public hearing in the House Environmental justice considerations. Our testimony also acknowledged the importance of understanding the cumulative environmental and health impacts of projects on vulnerable communities. We raised concerns about overly prescriptive additional requirements that would slow down or create additional hurdles to the already-challenging permitting process.

Environmental Crimes:

<u>SB 5360</u>, sponsored by Sen. Trudeau (D-27th LD, Tacoma), creates new definitions for certain environmental violations and crimes, increasing penalties for crimes up to a class b felony for certain offences. Included are violations of the Water Pollution Control, Oil Spill Prevention and Response, WA Clean Air Act, and Hazardous Waste Management Act. WPPA has concerns about this bill and registered as opposed for the public hearing in the Senate Environment, Energy & Technology Committee on January 24th. Our concerns include the penalty increases and that any employee, contractor, or vendor could be charged with a crime for a violation. At the hearing, environmental advocates testified in support of the bill giving examples of numerous, large scale environmental violations leading to significant harms where the penalty for the action was perceived as insignificant. The Attorney General's office also testified with "strong support" that the bill is matching federal violations for similar crimes. An executive session has not yet been scheduled.

Governance

Port Commissioner Elections:

<u>SB 5370</u>, 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 is now working on an amendment to ensure the legislation allows commissioner terms to be staggered with just one commissioner up each cycle at three member commissions. A public hearing has not yet been scheduled, but we will continue working with the bill sponsors to advance the proposal.

Labor & Workforce

Prompt Pay:

<u>SB 5176</u>, 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. The bill passed out of the committee on January 24th. WPPA continues to work to minimize some of the prescriptive contracting elements found in the bill, particularly for smaller, less complex contracting projects.

Prevailing Wage Paid When Work is Performed:

<u>SB 5061</u>, 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 received a public hearing in the Senate Labor & Commerce Committee on January 24th. WPPA testified 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. WPPA will meet with the bill sponsor next week to discuss the importance of minimizing change orders to those impact project scope only.

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), 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. The bill is scheduled for a public hearing in the House Finance Committee on January 28th. WPPA will sign in pro on the bill.

Tax & Revenue

No bills included in this report

Transportation

Short Line Freight Rail Modernization:

<u>HB 1058/SB 5063</u>, sponsored by Rep. Barkis (R-2nd LD, Olympia) and Sen. Derek Stanford (D-1st LD, Bothell), 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. This bill was included in <u>WPPA's 2025 Legislative Priorities</u>. WPPA will testify in support of the bill at public hearings in the House Finance Committee and Senate Ways & Means Committee on January 28th.

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