

Week 3 Report 02.01.25

As we conclude the third week of the session, lawmakers are fully immersed in the policy-making process, with public hearings on new bills and executive sessions to advance bills heard in the first two weeks. Every day seems busier than the last in Olympia, with advocacy groups in multicolored scarves stuffing hallways and hearing rooms.

As the calendar flips to February, legislative activity will only intensify. With the first major deadline in the legislative process fast approaching - the "policy committee cutoff" on February $21^{\rm st}$ – legislators and lobbyists will be scrambling to get their bills on executive session calendars.

Contentious proposals may undergo a stakeholder convening process – where evening meetings develop proposed language changes – or see split committee votes and a tougher road on the House and Senate Floor. The strong democratic majorities mean some bills can move without needing amendment to draw broad support. But legislators typically prefer consensus if they can achieve it, giving WPPA staff and other advocates the chance to change policy. We remain actively engaged, working closely with legislators, staff members, and stakeholders to ensure the voice of the port community is heard.

And in the midst of all the madness, we of course had a wonderful week, seeing scores of WPPA members gathered in Olympia for our annual Ports and Maritime Reception and Port Day. These events were a tremendous success, and we are grateful to all of you for coming to Olympia and helping us spread the word of your good work! Our members who made the trip enjoyed connecting with legislators and stakeholders over custom port-themed cocktails and local seafood, courtesy of the Washington Maritime Federation (WMF), at our Wednesday evening reception. We had another strong turnout of legislators, staff, agency partners, and some of the new Governor's policy team. The full room is a testament to

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: washingtonports.org

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 work you all have done to build relationships and directly engage with your local legislative delegations.

Thursday's Port Day program featured insightful discussions with legislative leaders and agency directors, as well as valuable advocacy opportunities as members met with their representatives across the Capitol. The engagement and enthusiasm demonstrated by our members underscored the importance of these events in advancing port-related priorities. Thank you to all of those who took time out of their busy schedules to attend!

Looking ahead, WPPA will continue to advocate for policies that support Washington's ports and maritime industry. We appreciate the dedication of our members and look forward to keeping you informed as the legislative session unfolds.

Action Alert - Sign in on the following bills

NOTE: WPPA staff are working hard on the legislative proposals highlighted in this section, and we would love your support! If you're comfortable signing in "pro" or "con" to show your port's position, 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.

Sign in PRO – Support: <u>SB 5370</u>, Lengthening port commissioner terms – public hearing February 3rd in the Senate Local Government Committee

Sign in CON - Opposed: <u>HB 1652</u> and <u>SB 5519</u>, Emissions from Ocean-Going Vessels [scrubbers ban bill] - public hearing in House Environment & Energy Committee Feb 4th and Feb 7th in the Senate Environment, Energy & Technology Committee.

Sign in CON - Opposed: <u>HB 1689</u>, Adopting CA emissions standards for Ocean-Going Vessels [shore power requirement bill] - public hearing in House Environment & Energy Committee Feb 4th

WPPA Weekly Bill Tracking Update

Aviation

Alternative Aviation Fuels:

SB 5601, sponsored by Sen. Liias (D-21st LD, Edmonds), would create a competitive grant program at the Department of Commerce to support the research, development, demonstration, engineering designs, production facilities, and blending and use of alternative jet fuels infrastructure. Rail spurs, barging infrastructure, and fuel loading racks are among the qualifying projects. The bill also establishes tax exemptions for alternative jet fuel production and facilities and the equipment needed to commercialize and transport alternative jet fuel. The bill is scheduled for a public hearing in the Senate Environment, Energy & Technology Committee on February 5th. WPPA supports this legislation, which will help airports build the necessary infrastructure to support the continued development of alternative aviation fuels. WPPA will testify on this bill.

Broadband

Broadband Infrastructure Repair & Replacement:

HB 1441/SB 5188, sponsored by Rep. Ryu (D-32nd LD, Shoreline) and Sen. Wellman (D-41st LD, Mercer Island), would allow the public works board to fund repair projects for broadband infrastructure by either grants or loans. The bills have minor differences in language, but both would accomplish similar goals. HB 1441 has been referred to the House Capital Budget Committee. It has not yet been scheduled for a public hearing. WPPA will testify in support of SB 5188 which is scheduled for a public hearing in the Senate Environment, Energy & Technology Committee on February 5th. WPPA supports these bills to provide additional support for our port members who are working to deliver broadband to rural and underserved communities.

Digital Equity:

HB 1503, sponsored by Rep. Gregerson (D-33rd LD, SeaTac), would transition some of the duties of the Statewide Broadband Office to the Office of Equity. The goal of the proposal, according to proponents, is to support the implementation of the recommendations of the Digital Equity Plan which seeks to provide greater access to broadband to hard-to-reach and low-income communities. The bill received a hearing in the House Technology, Economic Development, & Veterans Committee on January 31st. WPPA supports the full implementation of the Digital Equity Plan but testified with concerns about the changes the bill makes to the state's broadband speed goals. In certain circumstances, the speed goals have been reduced to align with federal funding. WPPA supports goals which are aspirational and recognizes the need for increasingly resilient internet services in the future.

Economic Development

Reauthorizing the Interagency, Multijurisdictional System Improvement Team:

SB 5034/HB 1064, 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 was passed out of the Senate State Government, Tribal and has been referred to the Rules Committee. The House version received a public hearing in the House Capital Budget Committee on January 30th. WPPA continues to support 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). The bill received a public hearing in the House Technology, Economic Development, & Veterans Committee on January 29th and is scheduled for an executive session on February 5th. WPPA continues to support this bill.

Statewide Economic Development Plan:

HB 1595, sponsored by Rep. Ryu (D-32nd LD, Shoreline), would require the Department of Commerce to develop a statewide economic plan every five years. It would convene an advisory committee to provide guidance to Commerce on the economic development plan, hold public meetings, and recommend implementation and potential legislation. Ports are one of the entities named as having a seat on that advisory committee, and WPPA staff got a heads up about the bill from Commerce just before session. The bill is scheduled for a public hearing in the House Technology, Economic Development, & Veterans Committee on February 4th. WPPA will testify in support of this effort to better coordinate and focus the state's efforts to promote economic development.

Non-resident Vessel Permit Length Requirements:

SB 5281, 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 extend stays in Washington's waters. This bill supports services including deep maintenance and retrofitting in Washington's boatyards and provisioning of goods onboard the vessels. The bill received a public hearing in the Senate Transportation Committee on January 27th. WPPA testified in support alongside our industry partners.

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 House version is scheduled for an executive session in the House Environment & Energy Committee on February 4th. The Senate version has not yet been scheduled for an executive session in the Senate Environment, Energy & Technology Committee. We continue to advocate for improving the siting and permitting process and believe there is much more to be done. WPPA continues to support this bill.

Utility Connection Charges for Industrial Symbiosis:

HB 1302, sponsored by Rep. Cortes (D-38th LD, Everett), seeks to give municipal utilities the ability to waive connection fees for organizations undertaking industrial symbiosis development projects, and would also define "industrial symbiosis" in statute. WPPA staff testified in support of the legislation, along with our partners at the Center for Sustainable Infrastructure (CSI), when it was heard in committee on January 27th. The bill was passed out of the House Environment & Energy Committee in amended form on January 30th. The only change made by amendment was an update to the definition of industrial symbiosis, which is consistent with language suggested by CSI and supported by WPPA. In our testimony in support of the bill, WPPA emphasized the interest that ports are developing in this area, and we will continue to support this legislation as it advances.

Clean Energy Development Office:

HB 1328/SB 5359, sponsored by Rep. Doglio (D-22nd LD, Olympia) and Sen. Shewmake (D-42nd LD, Bellingham), comes forward at the request of the Department of Commerce. This bill would create the Clean Energy Development Office within Commerce and tasks the office with providing resources to local governments to aid in the goal of accelerating the development of clean energy projects and increasing transmission capacity. The bill received a public hearing in the House Environment & Energy Committee on January 27th and the Senate Environment, Energy & Technology Committee on January 31st. WPPA supports this bill and efforts addressing energy challenges in Washington.

The Senate-side bill sponsor, Sen. Shewmake, emphasized that both SB 5359 and SB 5466 (below) are efforts to address the three buckets of new demands she sees on energy: electrification, data centers, and reindustrialization and green jobs/workforce training.

Electric Transmission System Improvements:

SB 5466/HB 1673 sponsored by Sen. Shewmake (D-42nd LD, Bellingham) and Rep. Ramel (D-40th LD, Bellingham), establishes an Electric Transmission Office at the Department of Commerce. The office would be a statewide resource for local governments permitted to exercise the right of eminent domain. The bill also includes a SEPA categorical exemption for upgrading and rebuilding transmission lines. The Senate version received a public hearing in the Senate Environment, Energy & Technology Committee on January 31st. The House version is scheduled for a public hearing in the House Energy and Environment Committee on February 3rd.

In hearing testimony on the Senate version, Commerce mentioned transmission constraints, the need to meet state clean energy goals, and lack of western regional transmission organization as challenges for clean energy deployment. Those testifying in support of the bill like the planning, coordination, and focus specifically on transmission. Some concerns were expressed regarding the benefits of an independent transmission authority, the broad nature and role of the office, not going far enough to improve permitting issues, and the use of eminent domain. Concerns were also raised regarding cultural protections that may be in the SEPA checklist and not under a categorical exemption. WPPA is continuing to follow this bill and supports the overall effort to improve and address energy challenges in Washington.

Advanced Nuclear Advisory Commission:

<u>HB 1249</u>, sponsored by Rep. Barnard (R-8th LD, Pasco), would create an advisory commission to create strategies to advance the development of nuclear energy. The bill received a hearing in the House Environment & Energy Committee on January 27th. WPPA supports this bill as it creates opportunity for identifying solutions for additional energy generation in Washington.

Thermal Energy:

<u>HB 1514</u>, sponsored by Rep. Ramel (D-40th LD, Bellingham), would promote the development of thermal energy networks (TENs) by bringing the industry under the regulatory control of the Washington Utilities and Transportation Commission. It would also require electrical utilities to put thermal energy into their planning process and direct the Department of Commerce to provide grant funding for the design, planning, and permitting of thermal energy networks. At the

bill's public hearing, on January 27th, the Port of Bellingham provided testimony in support. In testimony, their staff explained that without the regulatory oversight of the UTC, the port has to act as that oversight for the TEN operating at their waterfront mixed use development. WPPA supports this bill which encourages the deployment of low carbon energy options in Washington.

Community Solar Projects:

HB 1598/SB 5515, sponsored by Rep. Bernbaum (D-24th LD, Port Angeles) and Sen. Shewmake (D-42nd LD, Bellingham), would provide additional flexibility to local governments, including ports, who undertake community solar projects. This aims to make it easier to provide solar power to residents and industrial tenants. The House bill has been referred to the Environment & Energy Committee and the Senate bill has been referred to the Environment, Energy & Technology Committee. Public hearings have not yet been scheduled. WPPA is neutral on this bill while we evaluate its impact on ports and how it may improve the energy challenges we are facing.

Fusion Energy Facilities:

HB 1018/ SB 5241, 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 was passed out of the House Energy & Environment Committee on January 27th and has been referred to the Rules Committee. The Senate version is scheduled for an executive session on February 7th. WPPA is neutral on bill but eager to see more options made available to address energy supply challenges in the state.

Embodied Carbon Emissions of Building and Building Materials

HB 1458, sponsored by Rep. Duerr (D-1st LD, Bothell) requires the State Building Code Council to establish rules targeting emissions reductions, applicable to new constructions, additions, and renovations of 50,000 square feet or more. Projects must demonstrate and verify embodied carbon emissions of at least 90% of covered products meet established reduction goals. Certain construction must achieve a 30% reduction in embodied carbon emissions. The bill is scheduled for a public hearing in the House Local Government Committee on Feb. 5th. WPPA is still reviewing this bill to better understand the impact it may have on port districts and their tenants.

Environment And Natural Resources

Emissions From Ocean-Going Vessels [Scrubbers]:

HB 1652/SB 5519, sponsored by Rep. Lekanoff (D-40th LD, Bow) and Sen. Lovelett (D-40th LD, Anacortes), seeks to reduce emissions from ocean-going vessels by mandating the use of ultralow-sulfur fuel within three miles of Washington shorelines. The bill removes the use of all types of exhaust gas cleaning systems (EGCS)/scrubbers as a compliance method to achieve 0.1% sulfur limit for vessels that come to port in Washington. There are roughly 5,000 cargo vessels that utilize this method to reach the International Maritime Organization (IMO) sulfur regulation at the same 0.1% limit. The House version of the bill is scheduled for a public hearing in the Environment & Energy Committee on February 4th. The Senate version is scheduled for a public hearing in the Environment, Energy & Technology Committee on February 7th. WPPA is very concerned about the impact this bill will have on our port members' marine terminal operations.

We will testify in opposition at the hearing and will express the concerns we have heard from our members and from shipping and labor partners. Will continue to engage in discussions with impacted ports and with bill sponsors. Please contact WPPA if you would like to be involved in discussions of this bill.

Adopting California Emissions Standards for Ocean-Going Vessels [Shore Power]:

HB 1689, sponsored by Rep. Reed (D-36th LD, Seattle), would require any ocean-going vessel visiting a port, terminal, or berth connect to shore power or implement an alternative emissions control strategy by Jan. 1, 2028. Shore power is the more feasible of the two options but comes with many challenges to implement on that timeline. The bill is scheduled for a public hearing in the House Environment & Energy Committee on February 4th. WPPA will testify in opposition to this bill due to the financial burden and concerns that it will result in the closure of many of our marine terminals. We question the feasibility of getting shore power accessible and available amid incredible energy challenges. The Joint Transportation Committee is currently in the beginning stages of a study, directed by the legislature, to look at implementing California's ocean-going vessel at-berth regulations. The final report is not due until December 2025. We strongly recommend waiting until this study is completed prior to any further consideration of this proposal.

Salmon Recovery Projects:

HB 1208/SB 5155, 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 in order to receive streamlined statewide permit pathway review. The Senate version was passed out of the Senate Local Government Committee on January 30th. It has now been referred to the Senate Ways & Means Committee. The House version received a public hearing in the House Agricultural & Natural Resources Committee on January 28th and is scheduled for an executive session on February 4th. WPPA is monitoring this bill as some ports may be eligible through partnerships in specific instances. We support efforts to efficiently manage salmon recovery and resiliency projects.

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. WPPA continues to have concerns about this bill and registered as opposed for the public hearing in the Senate Environment, Energy & Technology Committee on January 24th. The bill is scheduled for an executive session on February 7th. The public hearing on the 24th was on a "substitute" amendment, if additional language becomes available, we will continue to review and discuss with our members.

New Environmental Justice SEPA Element:

HB 1303/SB 5380, sponsored by Rep. Mena (D-29th LD, Tacoma) and Sen. Lovelett (D-40th LD, Anacortes), would integrate environmental justice (EJ) considerations into certain projects at the Dept. of Ecology by adding it as an element of the environment. The bill would require an EJ impact statement on projects defined as a "potentially impactful project" as a part of the SEPA

environmental checklist process. We raised concerns about overly prescriptive additional requirements that would slow down or create additional hurdles to the already-challenging permitting process at the public hearing at the House Environment & Energy Committee on Jan. 23rd, and it has not yet been scheduled for an executive session. The fiscal impact of the bill as noted is more than \$20 million. The Senate version of the bill was referred to the Senate Committee on Environment, Energy and Technology and has not yet been scheduled for a public hearing.

Governance

Port Commissioner Elections:

<u>SB 5370</u>, sponsored by Sen. Harris (R-17th LD, Camas) and cosponsored by Sen. Chapman (D-24th LD, Port Angeles) and Sen. Lovelett (D-40th LD, Anacortes), would amend <u>Title 53 RCW</u> 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, and responds to concerns raised by ports with three-member commissions serving four-year terms. The bill has been scheduled for a public hearing in the Senate Local Government Committee on February 3rd. WPPA is coordinating with the bill sponsor and port members on testimony and expect to be joined by the Ports of Lopez and Camas-Washougal in voicing support and sharing background with the committee at the hearing on Monday.

Public Works

Prompt Pay:

SB 5176, sponsored by Sen. Valdez (D-46th LD, Seattle), would require any payment on public works projects that exceed thirty days of receipt of a properly completed invoice to automatically remit a one percent penalty with the payment. The bill was passed out of the Senate Labor & Commerce Committee on January 24th and has been referred to the Senate Ways & Means Committee. WPPA supports this bill and continues to work to minimize some of the prescriptive contracting elements found in the bill, particularly for smaller, less complex contracting projects.

Responsible Bidding for Public Works:

HB 1549/SB 5476, sponsored by Rep. Fosse (D-38nd LD, Everett) and Sen. Hasegawa (D-11th LD, Tukwila), would place additional requirements on contractors that bid on public works projects to produce an apprenticeship utilization plan. The House version is scheduled for a public hearing in the House Labor & Workplace Standards Committee on February 4th. WPPA will testify with concerns about the bill inadvertently making projects more expensive by limiting the number of bidders on projects. The Senate version has been referred to the Senate State Government, Tribal Affairs, and Elections Committee. A public hearing has not yet been scheduled.

Made in the U.S.:

HB 1256, sponsored by Rep. Hill (D-3rd LD, Spokane), would require that public works projects receiving more than \$500,000 dollars of state capital funding must require that the iron, steel, aluminum, and other manufactured products be made in the United States. At the public hearing

in the House Capital Budget Committee on January 30th, WPPA testified with concerns about the bill significantly increasing the cost of public works projects. WPPA has reached out to the bill sponsor to provide possible ways to minimize concerns, including removing manufactured products from the bill or delaying implementation of certain provisions within the bill.

Subcontractor Reporting for Public Works:

<u>HB 1633</u>, sponsored by Rep. Hill (D-3rd LD, Spokane), would require prime contractors to submit the list of their subcontractors one hour after the bid for a project has been awarded. This bill is designed to prevent deceptive practices that can increase project costs. WPPA is in the process of reviewing this bill for its potential impact on public works projects. We will provide updates as we engage with other stakeholders.

Land Use

No bills included in this report

Marina

No bills included in this report

Recreation & Tourism

Tourism Marketing Authority:

HB 1437/SB 5492, 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 the formation of an advisory group be comprised of various tourism industry business sectors. WPPA supports these bills, as we have long engaged with tourism advocates to develop and improve the Tourism Marketing Authority. The House version received a hearing in the House Technology, Economic Development, & Veterans Committee on January 28th and is scheduled for an executive session on February 4th. The Senate version received a public hearing in the Senate Business, Financial Services & Trade Committee on January 29th. WPPA signed in pro at both hearings.

Alcohol Service in Public Places:

HB 1515, sponsored by Rep. Reed (D-36th LD, Seattle), would allow "cities, counties, and towns" to request approval from the Washington State Liquor and Cannabis Board (LCB) to provide expanded outdoor alcohol service for liquor licensees at large events. Seattle Center in Seattle would be eligible to have expanded service with additional features during the hosting of the FIFA World Cup fan zone events in 2026, and other sites around the state could enjoy a version of the expanded authorities as well. Because some port districts have sought similar allowances from the LCB in the past - and because some port districts have been selected as FIFA fan zone sites - WPPA is working with the bill sponsor, committee chair, and legislative supporters to potentially include ports in the local governments called out in the bill. The bill received a public hearing in the House Consumer Protection & Business Committee on January 29th, and WPPA testified in support. We continue to work with the bill sponsor, the City of Seattle, and the LCB

on potential amendments that would allow ports to take advantage of this new authority without slowing progression of the proposal.

Tax & Revenue

No bills included in this report

Transportation

Short Line Freight Rail Modernization:

HB 1058/SB 5063, 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 WPPA's 2025 Legislative Priorities. WPPA testified in support of the bill at public hearings in the House Finance Committee and Senate Ways & Means Committee on January 28th.

Bridge Collisions:

<u>SB 5248</u>, sponsored by Sen. Wilson, J. (R-19th LD, Longview) would create a work group tasked with studying the impact resistance of bridges and identifying ways to prevent collisions from large commercial vessels. This bill comes in response to the cargo ship collision that resulted in the collapse of the Francis Scott Key Bridge in Baltimore last year. WPPA supports the intent of this legislation to make sure bridge infrastructure has been properly maintained and updated with the most appropriate collision mitigation measures.

Electric Vehicle Charging Installation:

<u>SB 5548</u>, sponsored by Sen. Liias (D-21st LD, Edmonds), would require that contractors installing electric vehicle charging stations are certified and trained to do so. This is to ensure safety and consistency in the work performed. The bill is scheduled for a public hearing in the Senate Labor & Commerce Committee on February 3rd. WPPA supports this bill as a way to ensure safety and effectiveness of electric vehicle infrastructure.

Supply Chain Competitiveness

SB 5649, sponsored by Sen. Liias (D-21st LD, Edmonds), creates the Supply Chain Competitiveness Infrastructure Program, a grant and loan program overseen by WSDOT. This is a legislative priority for WPPA. The program would provide funding for port and port-adjacent projects which result in removing supply chain barriers or bottlenecks for some of Washington's most important industries including agriculture, aerospace, manufacturing and clean energy. A public hearing has not yet been scheduled.

WPPA Phone: 360.943.0760		
Website: https://www.washingtonports.org		
Eric ffitch	effitch@washingtonports.org	c: 360.763.1179
Chris Herman	cherman@washingtonports.org	c: 360.489.8797
Carly Michiels	cmichiels@washingtonports.org	c: 360.339.3262
James Cockburn	jcockburn@washingtonports.org	c: 360.878.7610