



Week 10 Report 03.22.25

As we wrap up week ten of the legislative session, significant budget developments are taking place on the capitol campus. Notably, both the House and Senate are slated to unveil their full operating budget proposals on March 24th, setting the stage for critical final budget negotiations. The release of these proposals will provide clearer insight into how each chamber is planning to address the state's financial outlook and fund the priorities of their caucus.

The Washington State Economic and Revenue Forecast Council released its latest revenue forecast earlier this week, projecting a decrease of \$845 million in state revenue through 2029 compared to the projected revenues in the November 2024 forecast. This decline is attributed to lower collections from sales tax, business and occupation tax, and reduced interest income. Specifically, the state anticipates collecting \$71 billion between 2025 and 2027—a \$479 million decrease—and \$76.4 billion between 2027 and 2029—a \$420 million decrease since the November 2024 forecast. These additional revenue shortfalls compound the problem facing legislative leaders as they try to put forward a balanced budget in time for the April 27th end of session deadline.

Coming on the heels of the updated revenue forecast, Senate and House Democrats have each released revenue proposals that outline the ways their respective caucuses propose to address the budget shortfall and fund their priorities. WPPA staff have put together a summary of some of the key provisions in the revenue proposals and areas of concern for our port members, included below:

The Senate Democrats [proposed](#) five revenue bills including a wealth tax, large business payroll tax, raising the property tax growth limit, a half percentage sales tax

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

reduction, and repealing certain tax preferences – that all together would generate a net \$17 billion over the next four years if implemented.

The revenue proposal that will most impact port operations is the proposal from Sen. Lovelett (D-40th LD, Anacortes) and Sen. Salomon (D-32nd LD, Seattle), [SB 5794](#), to repeal twenty different tax preferences deemed ineffective or obsolete. Among those twenty tax preferences are:

❖ *Public utility tax exemption for intrastate transportation:*

Eliminates tax exemptions under for the intrastate transportation of goods, commodities, and agricultural products.

- Affected transportation activities include:
- In-state portion of interstate transport: Originating in Washington and destined for another state (and vice versa).
- Intrastate transport to export terminals: Moving goods between an origin point in Washington and an export terminal or elevator.
- Agricultural transport: Sending Washington-grown agricultural products to interim storage before export.
- Modes impacted: Truck, rail, water, and pipeline.

Key Concerns & JLARC Findings (2023 Review):

- The Joint Legislative Audit Review Committee (JLARC) recommended keeping these tax preferences due to their economic benefits.
- These exemptions support freight traffic and employment in agriculture, manufacturing, and trade.
- Repeal could lead to:
- Diverted imports and exports to competing states.
- Higher trucking taxes (20% above comparable states), harming Washington's competitiveness.

Talking Points Against Repeal:

- Increased costs for businesses and consumers.
- Job losses in agriculture, manufacturing, and trade-related sectors.
- The tax has been effective for nearly 100 years in keeping Washington competitive.
- Repeal of both the B&O tax preference on Stevedoring and the Public Utility Tax on Intrastate Transport would have a compounding effect as both taxes would now apply to the same goods at various stages throughout the supply chain.

❖ *Stevedoring and associated activities business & occupancy (B&O) tax exemption:*

Covering the movement of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure. This tax exemption

repeal would also likely increase costs for businesses and consumers and result in job losses in agriculture, manufacturing, and trade-dependent sectors.

Total revenue impact of repeal of all twenty exemptions: Increase of \$1 billion over four years for the Operating Budget.

WPPA and the Northwest Seaport Alliance will convene a broad coalition of ports and stakeholders on Monday April 24th at 1:30 pm. We will discuss the impact of this legislation on port districts, our customers and our supply chain partners. We will also determine the next steps for advocacy and outreach on this proposal. Additional information is being prepared; however, we encourage your port to determine impacts to your immediate lines of business and be prepared to share those impacts with coalition partners and your Senator.

Action Alert – Contact your Senator!

Ask that they do not include the repeal of the exemptions for intrastate transportation and stevedoring and associated activities in the final budget.

The House Democrats [proposed](#) three revenue bills including a similar wealth tax, adjusting the property tax growth limit, and a 1% Business & Occupation (B&O) tax surcharge on large corporations and financial institutions – the would generate \$5.1 billion for the 2025-27 budget and \$14.8 billion over the next four years if implemented. At this time, it does not appear like any of these three revenue proposals will have a direct impact on port operations.

In the coming weeks, we will continue to monitor budget discussions and advocate for policies that support the long-term resilience and competitiveness of our ports and for programs that support the important economic development work of our members.

Please see our full report below for an update on specific bills that continue to work their way through the legislative process.

Action Alert – Sign in on the following bill

NOTE: WPPA staff are working hard on the legislative proposals highlighted in this section, and we would love your support! We will use this area of the report to briefly spotlight bills that would benefit from your engagement. 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.

Sign in PRO – Support: [SB 5370](#), Lengthening port commissioner terms – public hearing March 25th in the House Local Government Committee

WPPA Weekly Bill Tracking Update

NOTE: Our report focuses on priority bills that WPPA is engaged with, and that are actively under consideration. Bills you don't see included in the report may still be under consideration but may not have any current action scheduled. Always feel free to ask WPPA staff for clarification if you're unsure where an issue stands.

Aviation

No bills included in this report

Broadband

No bills included in this report

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. Having previously passed the House, HB 1064 is now scheduled for a public hearing in the Senate State Government, Tribal Affairs & Elections Committee on March 25th. WPPA will sign in pro. An executive session is scheduled for March 28th. SB 5034 previously passed the Senate in early February and has not yet been scheduled for a public hearing in the House Capital Budget Committee.

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 is supporting this legislation because of its connection to our members’ interest in the promise of industrial symbiosis. After passing the House with only one no vote, it was heard in the Senate Environment, Energy & Technology Committee on March 14th and was passed by that committee on March 21st.

Support for Associate Development Organizations:

[SB 5677](#), sponsored by Sen. Cortes (D-18th LD, Battle Ground), increases allocations and modifies reporting requirements for associate development organizations (ADOs). This is a legislative priority for WPPA and our economic development partners at the Washington Economic Development Association (WEDA). SB 5677 passed 46-3 on March 4th. It received a public hearing in the House Technology, Economic Development & Veterans Committee on March 18th and was passed out of the committee on March 21st with an amendment proposed by WEDA.

Energy

Thermal Energy:

[SHB 1514](#), 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 (UTC). The bill was passed out of committee with some changes in a [second substitute amendment](#). It passed the House 86-9 on March 10th. WPPA supports this bill which encourages the deployment of low carbon energy options in Washington and is a critical energy option for the Port of Bellingham on their

waterfront. It has been scheduled for a public hearing in the Senate Environment, Energy & Technology Committee on March 26th. WPPA will sign in pro.

Increasing Transmission Capacity:

[SHB 1819](#), sponsored by Rep. Barnard (R-8th LD, Pasco), is a bipartisan effort to require investor-owned and consumer-owned electric utilities with more than 25,000 customers to develop integrated resource plans (IRPs). The bill also provides a SEPA categorical exemption for upgrading and rebuilding certain electric powerlines and requires the UTC to consider the adoption of other policies to encourage increased deployment of electric transmission infrastructure. SHB 1819 passed the House unanimously on March 12th and has now been scheduled for a public hearing in the Senate Environment, Energy & Technology Committee on March 26th. WPPA continues to support this bill which could help address energy capacity challenges and will sign in pro.

Electric Transmission System Improvements

[SB 5466](#), sponsored by Sen. Shewmake (D-42nd LD, Bellingham), would establish an Electric Transmission Authority at the Department of Commerce tasked with supporting the expansion of and upgrades to the transmission system. The bill also includes a SEPA categorical exemption for upgrading and rebuilding transmission lines. It passed the Senate 29-20 on March 10th. The bill received a public hearing in the House Committee on Environment and Energy on March 17th. It is scheduled for an executive session on March 27th. Amongst the dwindling energy related bills that made it past the cutoff deadline, WPPA remains supportive of this bill and will continue to advocate for additional resources for addressing the state's energy supply challenges.

Environment And Natural Resources

Exempting Fuels Used for Agricultural Purposes from the Climate Commitment Act:

[HB 1912](#), sponsored by Rep. Dent (R-13th LD, Moses Lake), is relating to the exemption for fuels used for agricultural purposes under the climate commitment act. WPPA supported exemptions for energy intense and trade exposed industries, like agriculture and maritime, when CCA passed in 2021. A second [substitute](#) to HB 1912 passed the House 93-4 on March 12th. After substantial changes the bill now requires Ecology to report on agriculture fuel exemptions and extends the compliance period for fuels used to transport agricultural products on public highways by two years. The bill is scheduled for a public hearing in the Senate Environment & Energy Committee on March 25th. WPPA will sign in pro on this bill.

Bottom Culture Shellfish Farming:

[HB 1309](#), sponsored by Rep. McEntire (R-19th LD, Cathlamet), would direct the Washington State Department of Agriculture to establish an integrated pest management research program to address the impacts of burrowing shrimp on bottom culture shellfish farming. WPPA supports this legislation in deference to member ports who work to support their local shellfish industries. The bill passed the House 94-1, and it received a public hearing in the Senate Agriculture & Natural Resources Committee on March 17th. It is now scheduled for an executive session on March 24th.

Environmental Crimes:

[SB 5360](#), sponsored by Sen. Trudeau (D-27th LD, Tacoma), creates new definitions for environmental crimes such as violations of the state Water Pollution Control Act, Clean Air Act, Hazardous Waste Management Act, and others. The bill increases penalties for crimes up to certain first- and second-degree felony violations. WPPA has significant concerns about this bill, which passed the Senate 29-20 on March 4th. The bill received a public hearing in the House Environment & Energy Committee on March 13th on a striking [amendment](#) was added by Rep. Mena (D-29th LD, Tacoma), late the night before the hearing. WPPA testified once again to share our concerns about the bill. We continue to work with the bill authors and stakeholders regarding potential future amendments to the bill. Because of actions at the federal level regarding enforcement of these types of violations, there is a strong effort behind this bill and providing greater state level enforcement authority.

Aquatic Land Leases:

[SB 5656](#)/[HB 1758](#), sponsored Sen. Krishnadasan (D-26th LD, Gig Harbor) and Rep. Parshley (D-22nd LD, Olympia), would redefine the inflation analysis used for adjusting aquatic land lease rates. This was brought forward by the Northwest Marine Trade Association and would replace the currently used producer price index (PPI) with all urban consumers (CPI-U). SB 5656 passed the Senate unanimously on March 4th and has been scheduled for a public hearing in the House Agriculture & Natural Resources Committee on March 26th. WPPA continues to support the bill at the recommendation of the Marina Committee and will sign in pro. HB 1758 passed the House but has not yet been scheduled for a public hearing in the Senate Agriculture & Natural Resources Committee.

Governance

Oath of Office for Local Elected Officials:

[HB 1573](#), sponsored by Rep. Parshley (D-22nd LD, Olympia), would provide additional flexibility for local elected officials, including port commissioners, to take their oath of office following their election. The current statute creates timing and logistical challenges as port commissions and other local governments attempt to complete their end of year business around the holidays. Having previously passed the House, the bill received a public hearing in the Senate State Government, Tribal Affairs & Election Committee on March 21st. It is scheduled for an executive session on March 28th. WPPA signed in pro.

Port Commissioner Elections:

[SB 5370](#), 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 [Title 53 RCW](#) to allow voters to extend port commissioner terms from four to six years in certain circumstances. This legislation was introduced at WPPA's request, and responds to concerns raised by ports with three-member commissions serving four-year terms. The bill passed the Senate unanimously on February 26th and is now scheduled for a public hearing in the House Local Government Committee on March 25th. WPPA will organize member testimony to provide the committee with a geographically diverse perspective on how this could be a positive change for port districts in many areas of the state.

Labor

Artificial Intelligence Bargaining:

[HB 1622](#) sponsored by Rep. Parshley (D-22nd LD, Olympia), would require public-sector employers, including ports, to bargain with their union represented employees over the decision to adopt or modify the use of artificial intelligence (AI). WPPA sent a communication to members of the House Appropriations Committee and Senate Ways and Means Committee with our concerns about the potential for the AI bargaining requirement to significantly slow innovation and efficiency at our ports. The bill passed the House 58-38 on March 8th and is now scheduled for a public hearing in the Senate Labor & Commerce Committee on March 28th. WPPA will testify with our concerns about the impact to ports and other local jurisdictions' ability make decisions to adopt technology to benefit their operations.

Public Sector Bargaining & Grievance Procedures:

[SB 5503](#), sponsored by Sen. Valdez (D-46th LD, Seattle), would introduce additional procedural requirements for public sector employers in responding to union formation petitions from employees and grants the Public Employment Relations Commission (PERC) expanded authority to enforce compliance measures. Most concerning, the bill changes grievance settlement procedures, which could result in increased legal costs and administrative complexity for public entities including ports and other local governments. WPPA testified with these concerns at the public hearing in the House Labor & Workplace Standards Committee on March 21st. An executive session has been scheduled for March 28th. WPPA continues to work with other local governments on amendment language to address our concerns.

Land Use

No bills included in this report

Marina

No bills included in this report

Public Works

Responsible Bidding for Public Works:

[HB 1549](#), sponsored by Rep. Fosse (D-38th LD, Everett), would place additional requirements on contractors that bid on public works projects to produce an apprenticeship utilization plan. The bill now includes amendments that WPPA requested. WPPA engaged in multiple rounds of discussions with other stakeholders to ensure that sufficient training on apprenticeship utilization is made available to contractors and subcontractors and will continue to work with stakeholders to ensure this occurs. The bill passed the House unanimously on March 10th and is now scheduled for a public hearing in the Senate State Government, Tribal Affairs & Elections Committee on March 25th and an executive session on March 28th. WPPA will continue to monitor this bill.

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. WPPA testified in support of the underlying policy during the initial public hearing. WPPA worked with public owners on amendment language that would result in the legislation only impacting public works contracts that exceed one year in length and removed small works contracts completely. WPPA has received feedback from the Municipal Research Services Center clarifying the need to pursue additional exemptions in this bill. WPPA continues to seek amendments on this bill. The bill passed the Senate 35-13 on March 12th and is now scheduled for a public hearing in the House Labor & Workplace Standards Committee on March 25th and an executive session on March 28th. WPPA will testify to outline the additional changes we are requesting.

Recreation & Tourism

Public Facilities District Taxing Authority:

[HB 1109](#), 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 (PFDs) work to create venues that attract visitors to their region and create economic growth. The bill passed the House 95-1 on March 11th. It received a public hearing in the Senate Ways & Means Committee on March 18th and WPPA signed in pro.

Alcohol Service in Public Places:

[HB 1515](#), sponsored by Rep. Reed (D-36th LD, Seattle), would allow local governments, including port districts, to request approval from the Washington State Liquor and Cannabis Board (LCB) to provide expanded outdoor alcohol service for liquor licensees at large events. Because some port districts have sought similar allowances from the LCB in the past - and because two ports have been selected as FIFA World Cup 2026 fan zone sites - WPPA has been working with proponents to support this bill. The bill passed the House 83-13 on March 8th. It is now scheduled for a public hearing in the Senate Labor and Commerce Committee on March 25th, where WPPA will sign in pro and work with port members to facilitate additional testimony.

Tourism Marketing Authority:

[SB 5492](#), sponsored by Sen. Riccelli (D-3rd LD, Spokane), modifies the makeup of the Washington Tourism Marketing Authority and requires the formation of an advisory group comprised of various tourism industry business sectors. WPPA supports this bill, as we have long engaged with tourism advocates to develop and improve the Tourism Marketing Authority. The bill passed the Senate and received a public hearing in the House Technology, Economic Development & Veterans Committee on March 18th. It was passed out of the committee on March 21st.

Tax & Revenue

Targeted Urban Area Tax Preferences:

[HB 1210](#), sponsored by Rep. Barnard (R-8th LD, Pasco), would provide clean energy transformation businesses with access to targeted urban area tax preferences (TUAs). TUAs are

financial incentives offered to businesses operating in specific urban areas to encourage economic development, job creation, and investment in underdeveloped or economically distressed regions. WPPA supports this effort to incentivize the development of clean energy projects across the state. The bill passed the House 81-15 on March 11th, and it received a public hearing in Senate Ways and Means Committee on March 18th. WPPA signed in pro on this bill.

Transportation

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. The bill passed the Senate on March 12th and received a public hearing in the House Technology, Economic Development and Veterans Committee on March 19th. It was passed out of the committee on March 21st. WPPA testified in support alongside the Ports of Everett and Port Angeles and the NWSA.

Electric Vehicle Charging Installation:

[SB 5528](#), 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 intended to ensure safety and consistency in the work performed. The bill was amended to remove the training requirement for the installation of state-funded charging infrastructure. Having previously passed the Senate, the bill received a public hearing in the House Labor & Workplace Standards Committee on March 19th. WPPA signed in pro on the bill. It is now scheduled for an executive session on March 26th.

Passenger-only Ferries:

[HB 1923](#), sponsored by Rep. Nance (D-23rd LD, Kitsap County), seeks to increase passenger-only ferry service by authorizing local governments, including port districts, to create passenger-only ferry service districts. The bill sponsor and proponents are bringing the bill forward to address current ferry service disruptions and ensure reliable transportation for dependent communities. Having passed the House, the bill received a hearing in the Senate Transportation Committee on March 17th. WPPA testified in support at the public hearing, along with the Ports of South Whidbey, Everett, and Olympia.

Workforce

No bills included in this report

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