

Week 8 Report 03.08.25

Week eight marked a big transition for the legislature as lawmakers were solely focused on floor sessions throughout the week, debating and voting on bills that have advanced through the committee process. This shift is the beginning of a critical period that will shape the legislative landscape for the remainder of the session. As floor debates went late into the evening this week, budget discussions are also ramping up, with whispers about potential tax proposals and revenue

packages being discussed in the wings of the House and Senate chambers.

Amid these developments, we convened a meeting with port members to discuss our budget request for the continuation of the Port Electrification Grant Program (PEGP). This funding is essential to maintaining momentum on port decarbonization, particularly for the <u>eleven projects</u> already awarded through WSDOT's competitive grant process. This grant program is funded through the state's new capand-invest program but overprogramming of those funds has led to some port projects being paused while legislation was simultaneously proposed to adopt California's at berth emissions standards, which would essentially mandate shore power at some ports. While that bill (HB 1689) is unlikely to advance, we expect the broader push to electrify Washington's marine terminals will remain a topic of conversation in Olympia and with our port members. WPPA supports these decarbonization efforts but continues to emphasize that significant investments - and federal and state partnership - will be needed to achieve significant decarbonization at our biggest ports. Additionally, inadequate power supply and transmission capacity present further barriers.

In addition to the legislative action of the week, WPPA participated in a public observation event at the Port

# **AT A GLANCE**

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

For up-to-date legislative information, visit: <a href="leg.wa.gov">leg.wa.gov</a>

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: <a href="leg.wa.gov">leg.wa.gov</a>

of Olympia, where our Environmental Director Carly Michiels joined interested members of the public and port environmental staff as they collected soil and water samples from Budd Inlet.

These samples will be analyzed for potential contamination, contributing to the ongoing environmental monitoring and stewardship efforts that the port is undertaking. Engaging in these hands-on activities reinforces our commitment to environmental stewardship and ensuring that policy decisions are informed by real-world data and community engagement. We appreciate the invitation to attend!

The flurry of floor activity will continue throughout next week as we approach the "house of origin" cutoff on March 12<sup>th</sup>. Following that deadline, the universe of bills considered "alive" will once again narrow significantly. With some of our priority bills already across to the opposite chamber, there remain some in the balance – see below for information on how you can help keep our Supply Chain Competitiveness Bill moving, for example.

With the house of origin cutoff comes another annual WPPA legislative session tradition: our mid-session internal Legislative Committee meeting, scheduled for the end of next week. This gives us a chance to go over where our agenda stands with the committee that helped pull it together – and to talk over emerging issues, look ahead at the second half of session, and generally catch up. Reach out to WPPA staff if you would like more information on this event.

In the meantime, WPPA staff will keep working to ensure that priority bills continue to advance and that concerning proposals do not. Please see our full report below to get the latest information on our top priority bills.

## Action Alert - Ask for a "rules pull" 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 sending a request to committee members in your area to pull a bill from the <a href="House">House</a> or <a href="Senate">Senate</a> Rules Committee to ensure it receives a floor vote, we would be grateful! If you're interested in helping out, 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.

Senate "Rules Pull" Request: <u>SB 5649</u>, Supply Chain Competitiveness Infrastructure Program, contact members of Senate Rules Committee to request this bill be pulled for a floor vote

House "Rules Pull" Request: <u>HB 2016</u>, Additive Capital Budget for Matching Funding for Broadband, contact members of the House Rules Committee to request this bill be pulled for a floor vote.

House "Rules Pull" Request: <u>SHB 1514</u>, Low Carbon Thermal Energy, contact members of the House Rules Committee to request this bill be pulled for a floor vote.

## WPPA Weekly Bill Tracking Update

\*Please Note: The House was engaged in floor action on March 8<sup>th</sup> so the status of some bills may have changed\*

#### **Aviation**

No bills included in this report

### **Broadband**

Broadband Infrastructure Repair & Replacement:

SB 5188, sponsored by 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. WPPA testified in support of the bill at the public hearing in the Senate Ways & Means Committee. The bill has been referred to the Senate Rules Committee, where it will need a "rules pull" from a member of that committee to be added to the floor calendar.

**Broadband Equity Access and Deployment Matching Funds:** 

HB 2016, sponsored by Rep. Tharinger (D-24<sup>th</sup> LD, Port Townsend), provides \$280 million in funding intended to be the local match portion for the rollout of the Broadband Equity Access and Deployment (BEAD) Program funded by the federal Infrastructure Investment & Jobs Act. The bill was heard in the House Capital Budget Committee on February 26<sup>th</sup> and was voted out on February 28<sup>th</sup>. WPPA signed in pro on the bill during the committee hearing, and it now sits at the House Rules Committee. This bill is necessary to implement the budget. Therefore, it will survive beyond the cutoff even if it fails to be passed by the full House by Wednesday.

### **Economic Development**

Reauthorizing the Interagency, Multijurisdictional System Improvement Team:

SB 5034/HB 1064, sponsored by Sen. Boehnke (R-8<sup>th</sup> LD, Kennewick) and Rep. Abbarno (R-20<sup>th</sup> LD, Centralia), would permanently codify the Interagency, Multijurisdictional System Improvement Team, also known as SYNC, to facilitate greater coordination among state infrastructure programs. The House version received a unanimous floor vote on March 5<sup>th</sup>. The Senate version was previously passed in early February and has been referred to the House Capital Budget Committee. WPPA continues to support this effort to improve the way ports apply for and receive infrastructure funding from the state.

**Utility Connection Charges for Industrial Symbiosis:** 

HB 1302, sponsored by Rep. Cortes (D-38<sup>th</sup> 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. In our committee 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. HB 1302 passed the House on February 13<sup>th</sup> by a vote of 93-1 and is now scheduled for a public hearing in the Senate Environment, Energy & Technology Committee on March 14<sup>th</sup>. WPPA will again testify in support of this bill given its connection to our interest in supporting industrial symbiosis projects broadly.

Non-resident Vessel Permit Length Requirements:

SB 5281, sponsored by Sen. Chapman (D-24<sup>th</sup> 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. Having passed the Senate, the bill is now scheduled for a public hearing in the House Transportation Committee on March 13<sup>th</sup>. WPPA will testify in support alongside our industry partners.

**Support for Associate Development Organizations:** 

<u>HB 1406/SB 5677</u>, sponsored by Rep. Barnard (R-8<sup>th</sup> LD, Pasco) and Sen. Cortes (D-18<sup>th</sup> 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). The House bill was passed out of committee on February 25<sup>th</sup> and moved to the floor calendar on February 28<sup>th</sup>. The Senate version passed 46-3 on March 4<sup>th</sup>.

## **Energy**

Thermal Energy:

<u>SHB 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 (UTC). The bill was passed out of committee with some changes in a <u>second substitute amendment</u>. WPPA supports this bill which encourages the deployment of low carbon energy options in Washington.

**Electric Transmission System Improvements** 

SB 5466, sponsored by Sen. Shewmake (D-42<sup>nd</sup> 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. Of the two dueling bills that would have created energy offices at the Department of Commerce this is the one that is continuing to move forward, whereas SB 5359 (creating a clean energy office) did not make it past the cutoff. This week, SB 5466 was pulled from the Senate Rules Committee to the Senate floor calendar, where it could be scheduled for a vote at any time. WPPA is supportive of the bill and continues to advocate for additional resources for addressing the state's energy supply challenges.

**Increasing Transmission Capacity:** 

SHB 1819, sponsored by Rep. Barnard (R-8<sup>th</sup> LD, Pasco), is a bipartisan effort to require investorowned 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 was pulled from the House Rules Committee to the House floor calendar, where it could be scheduled for a vote at any time. WPPA continues to support this bill which could help address energy capacity challenges.

#### **Environment And Natural Resources**

New Environmental Justice SEPA Element:

HB 1303, sponsored by Rep. Mena (D-29<sup>th</sup> LD, Tacoma), would integrate environmental justice (EJ) as an element of the environment and a part of the SEPA checklist. The bill was amended significantly to simply require Ecology to undertake rulemaking to implement the environmental justice component and develop mitigation guidance. WPPA still has concerns with the broad nature of the bill and will continue to work to resolve these concerns as the bill moves through the process. The bill has been referred to the House Rules Committee, where it will need a "rules pull" from a member of that committee to be added to the House floor calendar and passed prior to the March 12<sup>th</sup> cutoff.

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

HB 1912, sponsored by Rep. Dent (R-13<sup>th</sup> LD, Moses Lake), would require the Department of Ecology to adopt rules and establish a remittance program for fuels that are used for agricultural purposes. WPPA supported exemptions for energy intense and trade exposed industries, like agriculture and maritime, when CCA passed in 2021, and we registered our support for the bill at its initial public hearing consistent with that prior position. A <u>substitute</u> to HB 1912, with significant changes passed out of the committee on February 28<sup>th</sup>. As of Saturday morning, the bill remains at the House Rules Committee, where it will need to be pulled to the floor calendar in order to be considered prior to the March 12<sup>th</sup> cutoff.

## **Bottom Culture Shellfish Farming:**

<u>HB 1309</u>, sponsored by Rep. McEntire (R-19<sup>th</sup> 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. This week, the bill was pulled from the House Rules Committee to the House floor calendar, making it eligible for a vote before cutoff. WPPA continues to support this legislation as we have many port members that work closely with their local shellfish industries.

#### **Environmental Crimes:**

SB 5360, sponsored by Sen. Trudeau (D-27<sup>th</sup> 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 4<sup>th</sup> after six republican-supported amendments were rejected. A few floor amendments were adopted, including one that addressed some of the most significant concerns raised by WPPA and other stakeholders. WPPA continues to engage with other entities who have concerns about the implications of the bill and we are strategizing on how to best proceed as the bill moves forward. It is now scheduled for a public hearing in the House Environment & Energy Committee on March 13<sup>th</sup>.

## **Aquatic Land Leases:**

SB 5656/HB 1758, sponsored Sen. Krishnadasan (D-26<sup>th</sup> LD, Gig Harbor) and Rep. Parshley (D-22<sup>nd</sup> LD, Olympia), would redefine the inflation analysis used for adjusting aquatic land lease rates. This was brought forward by the Northwest Marine Trade Association. It would replace the current "all commodity producer price index (PPI)" with the "Seattle-Tacoma-Bellevue consumer price index, all urban consumers (CPI-U)," as compiled by the U.S. Bureau of Labor Statistics (BLS). The PPI measures the average change in selling prices from the production side. The CPI-U measures the average change in prices and impact on consumers. This change aims to remove volatility in lease rates and provide budgetary predictability for those with leases. SB 5656 passed the Senate unanimously on March 4<sup>th</sup>. It has now been referred to the House Agriculture & Natural Resources Committee. HB 1758 is on the House floor calendar awaiting a possible vote ahead of the cutoff deadline next week. WPPA supports this bill.

#### Governance

No bills included in this report

#### Labor

Artificial Intelligence Bargaining:

<u>HB 1622</u> sponsored by Rep. Parshley (D-22<sup>nd</sup> 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. We worked with member ports this past week to continue sharing those concerns with House members, anticipating a potential floor vote. The bill is still on the House floor calendar, where it could be scheduled for a vote at any time.

#### Land Use

No bills included in this report

### Marina

**Marine Mammal Protection Act:** 

HJM 4004, sponsored by Rep. Chase (R-4<sup>th</sup> LD, Liberty Lake), would petition the U.S. Congress to amend the Marine Mammal Protection Act to grant states and tribes increased flexibility in managing pinniped (seals, sea-lions) populations, including the use of lethal removal. The intent is to protect endangered salmon stocks across all marine shorelines and Puget Sound. Several of our port members have raised concerns about pinnipeds causing property damage at their marina facilities and docks – and at the limited options for dealing with them. The joint memorial has been pulled from the House Rules Committee to the House floor calendar, where it could be scheduled for a vote at any time. WPPA supports this joint memorial.

## **Public Works**

Responsible Bidding for Public Works:

HB 1549 sponsored by Rep. Fosse (D-38<sup>th</sup> LD, Everett), would place additional requirements on contractors that bid on public works projects to produce an apprenticeship utilization plan. The bill received a public hearing in the House Appropriations Committee on February 27<sup>th</sup> and was passed out of the committee on February 28<sup>th</sup>. 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. This week, the bill was pulled from the House Rules Committee to the House floor calendar, where it could be scheduled for a vote at any time.

Prevailing Wage Paid When Work is Performed:

SB 5061, sponsored by Sen. Conway (D-29<sup>th</sup> 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 public hearing. We 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 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. Additional amendments are needed to ensure conflicting language doesn't impact other contracting tools. The bill has been referred to the Senate Rules Committee, where it will need a "rules pull" from a member of that committee to be added to the floor calendar.

#### **Recreation & Tourism**

Alcohol Service in Public Places:

HB 1515, sponsored by Rep. Reed (D-36<sup>th</sup> LD, Seattle), originally sought to 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. 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 worked with the bill sponsor, committee chair, and legislative supporters to include port districts in the list of local governments given this new authority to work with LCB. This week, the bill was pulled from the House Rules Committee to the House floor calendar, and WPPA continues to work with the bill's main proponents on support with member communications in advance of a potential floor vote.

### Tax & Revenue

Sales Tax Authority for Cities with Warehouses:

<u>HB 1532</u>, sponsored by Rep. Stearns (D-47<sup>th</sup> LD, Auburn), would authorize the City of Kent to impose a local sales and use tax of up to 0.3%, credited against the state tax, to mitigate the fiscal impacts of sales tax sourcing laws. These laws dictate that sales tax revenue is allocated

based on the buyer's location rather than the seller's. This has disproportionately affected cities with significant industrial or warehousing operations, as many large transactions now generate tax revenue for other jurisdictions rather than the cities where the businesses are physically located. The bill has been referred to the House Rules Committee, where it will need a "rules pull" from a member of that committee to be added to the floor calendar. WPPA is neutral on this bill but is monitoring it given that we have members who are engaged.

## Renewable Energy Personal Property Tax Exemption

HB 1960, sponsored by Rep. Ramel (D-40<sup>th</sup> LD, Bellingham), would establish a personal property tax exemption for renewable energy facilities (wind, solar, energy storage only) that generate at least 50 megawatts of power and replaces their personal property tax obligation with a new state and local renewable energy excise tax. The proceeds from that excise tax would be distributed between the state and local governments based on the location of the facilities. Under the current version of the bill, via a <u>second substitute</u> amendment, local taxing districts receiving revenue from those facilities must permanently reduce their highest lawful levy by an amount directly corresponding to the revenue received from the new tax (Section 110 of the bill). Bill proponents included this as a mechanism to keep local taxing district revenues whole, while reducing the current "tax shift" impacts that are being attributed to deprecation of largescale energy developments. The bill also mandates local investments in communities hosting renewable energy projects, creates a matching grant program, and allocates \$21.5 million (Climate Commitment Act Funds) for fiscal year 2025 to capacity grants for federally recognized tribes. WPPA testified with concerns about the bill's impact on port tax levy authorities at the public hearings. We also remain concerned about the funding for the matching grant program diminishing over time, which could negatively impact local jurisdictions. The bill was amended in both the House Finance and House Appropriations Committee, but the amendments have only partially addressed WPPA's concerns. WPPA will continue to work with the bill sponsor to address concerns about unintended consequences of the imprecise language in the bill. This week, the bill was pulled from the House Rules Committee to the House floor calendar, where it could be scheduled for a vote at any time.

## **Transportation**

## Supply Chain Competitiveness

SB 5649/HB 1860, sponsored by Sen. Liias (D-21st LD, Edmonds) and Rep. Reed (D-36th LD, Seattle), 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. The House version did not pass out of the House Transportation Committee prior to the cutoff deadline, which means the Senate version will be the vehicle for this policy moving forward. SB 5649 is now in the Senate Rules Committee where it will need a "rules pull" from a member of that committee to be added to the floor calendar and passed prior to the March 12th cutoff. The Longview Daily News published an article that highlights the importance of this bill on March 6th.

## Streamlining Transportation Project Permitting:

HB 1902, sponsored by Rep. Richards (D-26<sup>th</sup> LD, Gig Harbor), would direct the Washington State Department of Transportation, in consultation with the Department of Ecology, to convene a work group of state, local, and tribal representatives to develop recommendations to streamline the permitting of transportation projects. WPPA supports this effort and worked to ensure port districts were added to the bill. The bill is now in the House Rules Committee where it will need a "rules pull" from a member of that committee to be added to the floor calendar and passed prior to the March 12<sup>th</sup> cutoff.

## Passenger-Only Ferries:

HB 1923, sponsored by Rep. Nance (D-23<sup>rd</sup> LD, Kitsap County), seeks to increase passenger-only ferry service. The bill authorizes 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. WPPA testified in support at the public hearing, along with the Ports of South Whidbey, Everett, and Olympia. The bill was passed out of the House Transportation Committee but was amended to remove funding for the passenger ferry grant program, a nod to the fiscal concerns that continue to dominate the legislature. On March 7<sup>th</sup>, the bill passed the House by a vote of 87-8. Two floor amendments were adopted including one limiting the bill eligibility to the Puget Sound and Grays Harbor only.

#### Workforce

No bills included in this report

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