

Week 13 Report 04.12.25

Like early April skies—where rain can suddenly give way to sun—the final stretch of the legislative session brings a blend of hope and uncertainty. There's momentum in the air: session is winding down, and we're looking forward to reconnecting with port members at our Spring Meeting in Spokane and at other events around the state. These gatherings are a welcome chance to recharge and refocus on long-term goals.

But as with Washington's weather, the forecast in Olympia isn't entirely clear. Priorities vital to ports—such as infrastructure funding, decarbonization, and environmental cleanup—are still unsettled. Outcomes will remain uncertain until the final, negotiated budgets emerge in the closing days of session. Just as optimism appears, it can be swept aside by late-session politics and competing demands.

Adding another front to the mix was a <u>letter</u> from Governor Bob Ferguson's office, expressing concern about the state's financial outlook and cautioning against cuts to essential services. Though not a formal directive, the letter introduced further dynamics into budget talks and may influence decisions on key investments that affect ports.

Meanwhile, with the opposite house fiscal committee cutoff behind us, only bills with real traction or major budget implications remain. The focus now shifts to floor votes, as lawmakers race to wrap up their work. As we enter the final phase, the outlook remains unsettled. But ports know how to navigate shifting conditions—and we'll be tracking each development as we approach the finish line.

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: tww.org

For current & previous copies of our report, visit our website at: washingtonports.org

REMAINING SESSION CUTOFF DATES

- April 16, 2025: Opposite House Floor Cutoff
- April 27, 2025: Last Day of Session

For more information about cutoff dates, visit: <u>leg.wa.gov</u>

Budget Proposals Update:

WPPA staff want to continue to draw your attention to the provisions below in the proposed operating, transportation, and capital budgets. These are some of the provisions that will be most impactful to our port members. We are continuing to work to address these concerns in the final budgets:

- MTCA Account Sweep: The Senate operating budget proposal calls for a combined \$100 million transfer of funds from the Model Toxics Control Act (MTCA) to the general fund.
 A large group of stakeholders including ports, industry, cities, and environmental nonprofits came together and sent a letter to legislative leaders opposed to this move.
- MTCA Remedial Action Grant (RAG) lapse requirements: The Senate capital budget
 proposal includes funding lapse requirements for RAG reappropriations prior to 2020 if
 contracts are not finalized and funding is not spent down by a specified date.
- Cuts to Department of Commerce Economic Development Programs: WPPA remains
 concerned about the combined \$156 million cut to economic development programs at
 the Department of Commerce's Office of Economic Development & Competitiveness in
 both proposed operating budgets.
- Port Electrification Grant Program (PEGP): The Senate's proposal includes \$27.5 million in new PEGP funding, but at the expense of cuts to major projects already underway. The House proposal includes no new funding but fully funds ongoing projects. WPPA continues to work with our members to provide information about the progress being made on project delivery supported by PEGP.

As a reminder, we have put together a summary of their key provisions as they relate to economic development, freight mobility, environmental stewardship, or other areas that could affect port operations and competitiveness.

Please see our budget proposals report here.

In our report, we have also included a chart that breaks down the revenue packages that are being put forward. The new revenue proposals are facing additional scrutiny as budget leaders weigh the possible inclusions of proposals such as a wealth tax on ultra-high-net-worth individuals, an increase in property tax limits, and a payroll tax on large employers.

We remain concerned about one particular Senate revenue proposal that proposes eliminating "obsolete" tax preferences (<u>SB 5794</u>), but which includes two very much used tax preferences that impact the cost of goods as they're moved, stored, and processed, including to and from ports: a portion of the public utility tax (PUT) preference for transportation of goods through Washington; and preferential business and occupation (B&O) tax rate for stevedoring services.

Recent discussions between WPPA, stakeholders, and budget leaders have given us cautious optimism about the prospect of these tax preferences being removed from the final version of the bill and remaining in place. We will continue to work with our partners to advocate for our position.

WPPA Weekly Bill Tracking Update

Please Note: The House was engaged in floor action on April 12th so the status of some bills may have changed

Aviation

No bills included in this report

Broadband

No bills included in this report

Economic Development

Reauthorizing the Interagency, Multijurisdictional System Improvement Team:

<u>HB 1064</u>, sponsored by 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, the bill passed the Senate unanimously on April 5th. It will now be delivered to the Governor for his signature.

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 to 300 feet. This legislation aims to encourage more boats to extend stays in Washington's waters. WPPA has testified in support of SB 5281 in both chambers. Having passed the Senate, the bill was passed out of the Senate Transportation Committee on April 4th. It is now awaiting a pull to the floor calendar from the Rules Committee. Funding to implement the bill is included in both proposed operating budgets.

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). The bill passed the Senate, and it was passed out of the House Appropriations Committee on April 5th. The bill passed the House on April 11th and awaits action by the Governor.

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). 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. The bill passed the House and was passed out of the Senate Ways & Means Committee on April 7th. The House operating budget proposal

includes funding to implement this bill. This week, the bill was added to the Senate floor calendar by the Rules Committee and may be voted on at any time.

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 on March 10th. The bill passed out of the House Appropriations Committee on April 7th. WPPA remains supportive of this bill. There is \$2.8 million provided in the Senate proposed operating budget for implementation.

Environment And Natural Resources

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

<u>HB 1912</u>, sponsored by Rep. Dent (R-13th LD, Moses Lake), addresses 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. HB 1912 passed the House on March 12th. The bill has gone through substantial changes throughout the process. It passed out the Senate Ways & Means Committee on April 7th with additional amendments. This week, it was added to the Senate floor calendar by the Rules Committee and may be voted on at any time.

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 earlier this session. In the Senate, the bill received a 48-1 floor vote on April 9th and now awaits the Governor's signature to become law. There is \$300,000 provided in the House proposed operating budget to implement this bill.

Environmental Crimes:

SB 5360, sponsored by Sen. Trudeau (D-27th LD, Tacoma), would have created new definitions for environmental crimes for violations of the state Water Pollution Control Act, Clean Air Act, Hazardous Waste Management Act, and others. WPPA had significant concerns about the bill, which we communicated to legislators throughout session. The bill did not pass out of committee by the April 8th cutoff deadline and is now considered unlikely to advance further this session.

Aquatic Land Leases:

<u>SB 5656</u>, sponsored Sen. Krishnadasan (D-26th LD, Gig Harbor), would redefine the inflation analysis used for adjusting aquatic land lease rates by replacing the currently used producer price index (PPI) with all urban consumers (CPI-U). WPPA supports this bill, which was brought forward by our partners at the Northwest Marine Trade Association. The bill passed the Senate unanimously and passed the House unanimously on April 9th. It will now be delivered to the Governor for his signature to become law.

Governance

Oath of Office for Local Elected Officials:

<u>HB 1573</u>, sponsored by Rep. 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 is now on the Senate consent calendar where it could receive a floor vote at any time.

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 <u>Title 53 RCW</u> 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 and it was passed out of the House Local Government Committee on April 1st by voice vote, with an amendment from the Chair to clarify that the ability to extend terms from four to six years would only apply to three-member port commissions. This week, the bill was placed on the floor calendar by the House Rules Committee, where it awaits a floor vote.

Labor

Artificial Intelligence Bargaining:

<u>HB 1622</u> sponsored by Rep. Parshley (D-22nd LD, Olympia), would have required public-sector employers, including ports, to bargain with their represented employees over the decision to adopt or modify the use of artificial intelligence (AI). WPPA was very concerned about the implications of this bill and signed in CON to express opposition at the public hearings, along with providing testimony that shared our concerns about impacts to port operations. The bill failed to pass out of committee by the cutoff deadline, so it is now considered unlikely to advance.

Land Use

No bills included in this report

Marina

No bills included in this report

Public Works

Responsible Bidding for Public Works:

<u>HB 1549</u>, 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. The bill passed the House earlier this year

and passed the Senate 48-1 on April 7th. It will now be delivered to the Governor for his signature.

Prevailing Wage Paid When Work is Performed:

<u>SB 5061</u>, sponsored by Sen. Conway (D-29th LD, Tacoma), would have required public works contracts to provide for the payment of the prevailing wage 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 and worked to address concerns as the bill moved through the legislative process. The bill did not receive a public hearing in the House Capital Budget Committee prior to the cutoff deadline. It is now considered unlikely to advance.

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. Public facilities districts (PFDs) work to create venues that attract visitors to their region and create economic growth. The bill passed the House, and it was passed out of the Senate Ways & Means Committee on April 3rd with an amendment to extend the taxing authority to fifty-five years, instead of sixty as called for in the original bill. The bill is on the Senate floor calendar, where it could receive a vote at any time. WPPA continues to support the bill.

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 Port of Bellingham provided testimony in support at the bill's final policy committee meeting in the Senate. The bill passed the Senate Ways & Means Committee on April 8th and is now at the Senate Rules Committee.

Tourism Marketing Authority:

<u>SB 5492</u>, 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 was passed out of its House Committee on March 21st. This week, the bill passed the House by a vote of 95-1. It will now be delivered to the Governor for his signature.

Tax & Revenue

Eliminating Tax Preferences for the Movement of Cargo:

<u>SB 5794</u>, sponsored by Sen. Salomon (D-32nd LD, Shoreline), eliminates certain tax preferences including: a portion of the public utility tax (PUT) preference for transportation of goods through Washington; and preferential business and occupation (B&O) tax rate for stevedoring services.

WPPA is very concerned about these provisions being included in the bill and are working with other stakeholders to communicate with legislators. The bill received a public hearing in the Senate Ways & Means Committee on March 31st. WPPA testified in opposition to the elimination of the two tax preferences related to the movement of cargo at the hearing and coordinated our testimony with a broad coalition of members and allied organizations. We will continue to advocate for the removal of these two tax preferences from the final bill as budget negotiations continue. The bill is necessary to implement the budget (NTIB) and has not yet been scheduled for executive session.

Tax on Light and Power Utility Businesses:

SB 5804, sponsored by Sen. Trudeau (D-27th LD, Tacoma), replaces a portion of the public utility tax on light and power utilities with a new tax dedicated to projects that improve salmon recovery and fish habitat restoration in response to the federal court injunction. It authorizes the issuance of special tax revenue bonds in the total amount of \$5 billion based on the new tax revenues. The bipartisan bill passed the Senate Ways & Means Committee on April 8th. WPPA is neutral on this bill, but we are monitoring it due to its potential impacts on both culvert removal and power projects. The bill has been referred to the House Rules Committee.

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, and it was passed out of the Senate Ways and Means Committee on April 3rd. This week, it was added to the Senate floor calendar by the Rules Committee.

Renewable Energy Personal Property Tax Exemption

HB 1960, sponsored by Rep. Ramel (D-40th 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. Under the current version of the bill, via a second substitute 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. WPPA testified with concerns about the bill's impact on port tax levy authorities at the public hearings. We also remain concerned about the allocation of revenue generated at the state level. The bill failed to advance out of the House prior to the March 12th cutoff deadline. However, because it is tax/revenue related, the bill may be considered NTIB, and it remains on the House floor calendar.

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. WPPA testified in support alongside our members in the House Transportation Committee on April 3rd. There is \$20 million in funding for the program included in the Senate's proposed transportation budget and therefore it is considered NTIB. WPPA is still actively working with port members to advocate for this bill.

Streamlining Transportation Project Permitting:

<u>HB 1902</u>, sponsored by Rep. Richards (D-26th 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 passed the House, and it was passed out of the Senate Transportation Committee on April 4th. WPPA signed in pro at the public hearings on this bill. The bill has been added to the Senate floor calendar.

Passenger-only Ferries:

<u>HB 1923</u>, sponsored by Rep. Nance (D-23rd LD, Kitsap County), sought to increase passengeronly ferry service by authorizing local governments, including port districts, to create passengeronly ferry service districts. WPPA testified in support at the public hearing, along with the Ports of South Whidbey, Everett, and Olympia. The bill failed to pass out of committee prior to the April 8th cutoff deadline and is now considered dead.

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 passed with a vote of 62-34 in the House on April 10th. It will now be delivered to the Governor for his signature.

Workforce

No bills included in this report

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