



Week 14 Report 04.19.25

Week fourteen of the session brought us to the final cutoff deadline, and like a gripping novel the session nears its thrilling conclusion! The buzzing Legislative Building had legislators working furiously – and sometimes actually getting furious! – to get bills passed out of their chambers. And WPPA staff joined the madness – with several bills we’ve been actively supporting passing in this last-minute flurry. The port commissioner term length bill ([SB 5370](#)) might be the most extreme example, passing ten minutes before cutoff as the *second to last bill* on the House’s run list. Meanwhile, legislation supporting non-resident vessels coming to Washington for maintenance and charter cruises ([SB 5281](#)) and legislation allowing greater flexibility in outdoor alcohol sales at World Cup fan-zones ([HB 1515](#)) also ran in the final two days.

Heightening the drama in this climactic final stretch, Democratic budget writers in the House and Senate released a new joint negotiated revenue proposal on Tuesday, April 15th. The proposed revenue package is pared down from the initial plans released by the two caucuses but still signals a serious push to restructure how the state funds essential services, infrastructure, and programs. It also responds to Governor Ferguson’s request to pare down the wealth tax as a key revenue tool. Mostly absent from this week’s revenue conversations was new revenue to stabilize the transportation budget with the most significant action coming from Senate Ways & Means significantly scaling back a proposed revenue shift of the vehicle sales tax that would be dedicated to the transportation budget.

Even with changes that respond to the chief executive’s public position on revenue, the Governor’s office released a [statement](#) on Thursday that suggested the level of tax increases proposed by the legislative democrat’s revenue package may still be higher than he is willing to sign off on. It is unclear where this leaves budget writers with only a week left before the end of the session.

Budget negotiations will continue throughout the next week and WPPA staff will communicate any major changes to the package that would impact our members before the last day of the

AT A GLANCE

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

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REMAINING SESSION CUTOFF DATES

- April 27, 2025: Last Day of Session

For more information about cutoff dates, visit: leg.wa.gov

session on Sunday, April 27th. **A full report on the details of the final budget package will be sent out with our 2025 Final Session Report on April 30th.**

Budget Proposals Update:

Here is a summary of some of the most significant revenue proposals released by budget leaders on April 15th.

- Capital Gains & Estate Tax - Tiered structure with an additional 2.9% surcharge on sale of stocks, bonds, and assets above \$1 million per year. Increases the estate exclusion amount to \$3 million and adjusts it for inflation. Raises \$351 million for 2025-2027 biennium.
- B & O Surcharges and Rate Increases for Large Businesses – Dual approach to generating new revenue from an existing tax: Those four hundred corporations with \$250 million in annual revenue pay a temporary increased rate ([HB 2049](#) and [HB 2081](#)); and nearly all other industries see a “surcharge” that increases the existing B&O tax rate (.484 on the majority of industries; .471 for retail sector) to .5 permanently ([HB 2081](#)). Raises \$2.4 billion in 2025-2027 biennium.
- Property Tax Cap – Allows for up to 3% annual property tax increases based on inflation and population growth for local governments, including ports. Raises \$200 million in 2025-2027 biennium.

We have updated our budget proposals report to provide detailed information on all of the new revenue bills and how they may impact ports and their tenants.

[Please see our budget proposals report here.](#)

There is encouraging news regarding the Senate revenue proposal that proposes eliminating “obsolete” tax preferences ([SB 5794](#)), which initially included the proposed elimination of 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. As covered in last week’s report, that prompted a coordinated advocacy effort among ports, ag exporters, tug and barge lines, trucking advocates, and other partners to ask that those be removed.

Amendments were adopted during the executive session in the Senate Ways & Means Committee on April 18th that removed the section amending the two preferences related to the movement of cargo from the bill.

In addition, in what might be further confirmation that our advocacy message was well-received by legislators: the proposed House and Senate B&O surcharge bills, mentioned in the above section, do not increase the rate for stevedoring services.

We appreciate the members and industry stakeholders who worked with WPPA to advocate on this issue and for the budget leaders who were open to our feedback about how this would impact our state’s trade dependent economy. We will continue to work with our partners to ensure these provisions remain out of the final budget package.

WPPA Weekly Bill Tracking Update

****Please Note: The House & Senate were engaged in floor action on April 19th 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

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 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. This week, the bill was pulled from the Rules Committee, and it passed the House 94-3. It will now be delivered to the Governor for his signature.

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 passed the Senate unanimously. It will now be returned to the House for concurrence on the amendments adopted by the Senate.

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 included a SEPA categorical exemption for upgrading and rebuilding transmission lines. It passed the Senate on March 10th. The bill failed to receive a floor vote in the House prior to the April 16th cutoff deadline. Even though there is \$2.8 million provided in the Senate proposed operating budget for implementation, it is unlikely to pass this session.

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), 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, the bill passed the Senate unanimously. It will now be returned to the House for concurrence.

Bottom Culture Shellfish Farming:

[HB 1309](#), sponsored by Rep. McEntire (R-19th LD, Cathlamet), directs 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 as we have ports whose work supports local shellfish industries. The bill passed the House earlier this session and passed the Senate 48-1 on April 9th. It now heads for the Governor's desk where it just needs a signature to become law. There is \$300,000 provided in the House proposed operating budget to implement this bill.

Aquatic Land Leases:

[SB 5656](#), 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.

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 unanimous floor vote in the Senate on April 15th and will be sent to Governor Ferguson.

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 and it was passed out of the House Local Government Committee 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. On April 16th, just minutes before the 5pm cutoff deadline, the bill passed the House 88-9 with the committee's amendment. The bill will now be returned to the Senate for concurrence and then will be sent to the Governor for his signature. Barring unforeseen obstacles, it would take effect 90 days from the final day of session, or roughly July 27, 2025.

Labor

Public Sector Bargaining & Grievance Procedures:

[SB 5503](#), sponsored by Sen. Valdez (D-46th LD, Seattle), changes grievance settlement procedures for public-sector employers, 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. The bill was passed out of committee on March 28th. WPPA worked with other local government organizations on amendments to clarify that employers can still offer a requirement that employees waive their rights to subsequent litigation when setting a grievance. A floor amendment to that effect was introduced but was not adopted. The bill passed the House 59-36 on April 15th.

Land Use

No bills included in this report

Marina

No bills included in this report

Public Works

No bills included in this report

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. 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. On April 14th, the bill passed the Senate 43-6. It will now be returned to the House for concurrence on the amended bill. 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 37-12 on April 16th, and it now goes back to the House for concurrence then on to the Governor.

Tax & Revenue

Eliminating Tax Preferences for the Movement of Cargo:

[SB 5794](#), 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. Following that advocacy effort, a striking amendment was adopted at the Senate Ways & Means Committee on April 18th that keeps the existing tax preferences on the movement of cargo intact.

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 the transportation budget, culvert removal and power projects. The bill has been referred to the Senate Rules Committee. The latest budget discussions have not been focused on this bill but we will continue to follow it as it moves through the process.

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. The bill spent several weeks on the floor calendar, but it did not receive a vote prior to the April 16th cutoff deadline and is not likely to advance this session.

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. This bill is not likely to advance this session.

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 but the bill failed to be voted out of the committee prior to the cutoff. 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, however, the revenue picture for transportation grew more challenging this week, making it less likely this bill will pass this year.

Streamlining Transportation Project Permitting:

[HB 1902](#), 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 passed the Senate unanimously on April 16th and will now be returned to the House for concurrence on the Senate Transportation Committee's amendments.

Workforce

No bills included in this report

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