**INTRODUCTION**

We have reached the mid-point of the session, and Tuesday was the deadline for bills to move out of fiscal committees. This deadline typically creates a frenetic push to move as many bills as possible through this stage and on to floor action. This session has been no exception to that practice.

The fiscal committees have been working weekends and long days up to this point, and floor action took the House into evening sessions this week. Despite the push to keep bills alive, it is becoming clearer that many of the big-issue bills for ports dealing with topics such as growth management, transportation funding, tribal consultation, and carbon taxation will define our work plans for the interim and be taken up in earnest in the next legislative session.

The biggest event of the week was an initial ruling by a King County Superior Court judge issued on Wednesday in the ongoing I-976 court battle. The judge rejected the core arguments that claim the initiative is unconstitutional but did not rule on all aspects of the case.

The Washington State Supreme Court will undoubtedly become the final arbiter in this dispute, but this week’s court action may be an indication of a longer and more difficult path for opponents of this constraint on transportation revenue. It has also signaled to the legislature that they face difficult decisions ahead in funding our state’s transportation infrastructure and local transit systems.

**ECONOMIC DEVELOPMENT**

**TAX INCREMENT FINANCING.** HB 2804 reestablishes the **LOCAL REVITALIZATION FINANCING PROGRAM (LRF)** and permits a state contribution of up to fifteen million dollars per fiscal year for projects approved after January 1, 2021. This proposal was heard in House Finance and was given a Do Pass recommendation before the bill cutoff date. The bill is now in Rules Committee awaiting further action.

**COMMUNITY REDEVELOPMENT FINANCING ACT.** HB 2778 (and the companion HJR 4212) authorizes port districts, cities, and counties to create apportionment districts to finance public improvement projects. The Community Redevelopment Financing Act would require an amendment to the State Constitution to allow this traditional TIF program.

The bill and companion joint resolution were heard in House Finance Committee and were given a Do Pass recommendation before the bill cutoff date. These bills are now in Rules Committee awaiting further action. City, county, and port lobbyists are working to move these tax increment financing bills to the floor calendar.

**ENVIRONMENT**

**PREVENTION OF DERELICT VESSELS.** HB 2769/SB 6528 WPPA supports these bills. 2SSB 6528 was amended and passed by the Ways and Means Committee in the Senate. HB 2769 has not been scheduled for a hearing in the House Appropriations Committee.

**ESTABLISHING NET ECOLOGICAL GAIN.** HB 2550 has not been scheduled for action in the Appropriations Committee. We expect the bill will be converted into a budget proviso. WPPA continues to work with the sponsor and other stakeholders to improve any language that might be included in the House Budget.
CAP AND TRADE. SB 5981 would enact a “cap and trade” program to reduce greenhouse gas emissions in Washington. The bill died in the Senate Environment, Energy and Technology Committee.

CLIMATE CHANGE UNDER THE GROWTH MANAGEMENT ACT. SHB 2427 was amended in the House. The substitute version of the bill makes the following changes:

- amends the new climate change goal under the Growth Management Act (GMA), by removing references to vehicle miles traveled and by requiring jurisdictions pursue emission reduction limits;
- limits the climate change goal to counties required to develop a GMA review and evaluation program (Buildable Lands Program) or to counties with a population of at least 300,000 and the cities within those counties;
- encourages other counties and cities to adopt climate change as a goal under the GMA;
- adds a climate change goal to the planning goals of the GMA.

WPPA continues to monitor potential changes to the House bill. The Senate version died in committee.

ACCELERATING GHG GOALS. 2SHB 2311 increases the pace at which greenhouse gas emission goals are achieved and states that by 2050, the state as a whole must achieve net-zero greenhouse gas emissions. The Second Substitute adopted in committee sets specific numeric emissions targets for the state as a whole and state agencies. 2SHB 2311 is in the Rules Committee awaiting floor action. The Senate version died in committee. WPPA is neutral on the bill.

GHG EMISSIONS. A striking amendment to SB 6628, approved by the Senate Environment, Energy & Technology Committee, has raised a debate about the bill’s potential impact on future new-revenue transportation funding. The bill would extend authority to the Washington Department of Ecology to regulate indirect emissions from the production and distribution of petroleum products and natural gas.

The bill is a response to the recent Washington State Supreme Court ruling which limited the department’s authority to regulate greenhouse gas emissions. WPPA continues to assess the potential impact of this bill. The bill has passed out of Rules and is on the Senate floor calendar.
AVIATION

AVIATION LEGISLATION. WPPA continues to advocate for two bills that would address funding for airports. If these bills are important to you, please contact your legislator and ask for these bills to be voted out of their respective chambers.

SB 5011 would make the Community Aviation Revitalization Board permanent. This bill remains on second reading on the Senate floor, awaiting a vote. The board has awarded most of its existing $5 million in funding secured during the 2019 legislative session. This supports our understanding of the demand for this funding and the need to make the program permanent. SB 5011 must be moved out of its chamber of origin by the February 19th cutoff.

WPPA’s other aviation priority for this session is HB 1457 which would reallocate 1% of the aviation fuel tax to be spent on airport infrastructure with larger and more awards through the AIRPORT GRANTS PROGRAM (AIP). This bill would create just over $5 million per year. WPPA is working to secure this funding as part of budget negotiations.

PUBLIC WORKS

PUBLIC WORKS CONTRACTING. HB 2469 was voted out of the Appropriations Committee last week without the port-friendly amendment we were expecting. The bill currently expands the Small Works Roster threshold to $500,000 in 2021 for most local governments and special purpose districts but continues to exclude ports. The bill remains in the House Rules Committee.

LABOR

PROHIBITING SHIPPING AUTOMATION. HB 2828 would prohibit port districts that handle shipping containers from making investments in automated marine container handling equipment. The bill was voted out of committee and remains in the House Rules Committee.

WPPA has concerns that the bill will not only limit our authority to make necessary business decisions but it will also limit port’s ability to make investments to remain competitive in a global market that is already incredibly competitive.

TRANSPORTATION

SUPPLEMENTAL TRANSPORTATION BUDGET. Discussions around the Supplemental Transportation Budget have been advancing with what appears to be bipartisan support in the Senate Transportation Committee on a proposal that addresses the $450 million budget hole left with the passage of I-976. The proposal relies on using underspend and a one-time transfer from the general fund along with several account transfers to balance the budget.

The Committee would like to see early agreement to a proposal so as to let those projects paused by the Governor prior to session be released to move forward. While it is too early to tell, a divide between this approach and the approach being pursued by the House appears to be developing which could result in challenges getting both chambers to a final transportation budget. We are a little over a week from the release of the legislative budgets.
HARBOR MAINTENANCE TAX. The Joint Memorial (SJM 8016), urging Congress to address the imbalance in funds distribution of the Harbor Maintenance Tax remains in the Senate Rules Committee. For information, there is unanimous support among deep-water ports in the U.S. for a plan to spend the trust fund backlog and establish a framework to provide greater equity in the distribution of the funds in the trust fund. WPPA continues to advocate for this joint memorial to be heard on the Senate floor.