



Washington State Legislative Update

February 21, 2024

Session Overview

Washington lawmakers have 15 days left of their 60-day session to agree on budget differences and act on surviving legislation. The most recent [revenue forecast](#) has come in at \$71.7 billion for the 2023-24 biennium, exceeding the 2023 forecast by \$1.3 billion. All three budgets have been released – operating, transportation, and capital with hearings and committee votes scheduled this week. Legislators have until March 1 to vote on bills from the opposite chamber and until March 7 for concurrence and to consider budgets and bills necessary to implement the budgets. The session is expected to end on time as all 98 Representatives and half of the Senate are up for re-election.

INITIATIVES

Democrat Leaders Announce 3 of 6 Initiatives to Get Hearings

House and Senate [democrat leaders announced they will hold joint hearings on three of the Initiatives](#) to the Legislature. This includes police pursuits ([Initiative 2113](#)), parental rights in public schools ([Initiative 2081](#)) and prohibiting a state or local income tax ([Initiative 2111](#)). These initiatives are likely to pass if sent to the voters. Hearings are expected to be held February 27-28. The Legislature can pass, ignore, or provide an alternative to the measures. [Lawmakers will not hold hearings](#) to repeal the carbon tax ([Initiative 2117](#)) and capital gains tax ([Initiative 2109](#)), or to allow opting-out of long-term care payroll tax ([Initiative 2124](#)). Democrat legislators argue these initiatives if passed carry significant financial implications for the state budget. Voters can expect them on the November ballot.

BUDGETS

Operating Budget Spends Additional Revenue from Forecasts (SB 5950 / HB 2104)

Washington's most recent [revenue forecast](#) has come in at \$71.7 billion for the 2023-24 biennium, exceeding the 2023 forecast by \$1.3 billion. The Senate and House [operating budget proposals](#) spend essentially all of the new revenue. Republicans argue the need for greater reserves to meet the recommended 10% instead of the 5.9% currently proposed in reserves with the proposed budgets at the end of the four-year outlook.

Capital Budget Conditions Climate Commitment Act Funding (SB 5949 / HB 2089)

The Senate and House capital budgets (SB [5949](#) and HB [2089](#)) have been passed by their respective committees and are pending floor votes. Notably, the supplemental budgets rely on \$663.2 million in Climate Commitment Act funds but [conditions the funding](#) if Initiative 2117 passes. This includes a series of clean energy, community solar, electric vehicle charging and salmon recovery projects.

Transportation Budget Writers Sound Alarm on I-2117 (SB 5947 / HB 2134)

Both the House and Senate [transportation leaders have released their budgets](#) that continue funding for the I-5 Bridge Replacement Project. In a presentation on the budget, Senator Liias stated continued commitment to finishing the job for the bridge project and remarked Washington “can’t send the message that we are unreliable partners to Oregon.” In a press statement [Rep. Fey noted](#) Move Ahead Washington projects “have enough resources, received good bids, and will be moving forward.” The House supplemental transportation budget is \$14.3 billion, the Senate is \$14.6 billion. Each budgets relies on an additional \$350 million of Climate Commitment funds and both budget leaders have expressed worry that if I- 2117 passes to repeal the Climate Commitment Act, all budgets would need revisited.

ENVIRONMENT

Carbon Tax Linkage (SB 6058)

Legislation to facilitate the linkage of Washington’s carbon market with the California-Quebec market (SB [6058](#)) has passed the Senate and is pending a committee vote in the House. While not considered an alternative to Initiative 2117, the proponents argue that merging carbon markets will reduce costs. Opponents question why California and Quebec would want to join Washington’s higher-priced system.

Climate Corporate Data Accountability Act (SB 6092)

Legislation to require greenhouse gas emission disclosure (SB [6092](#)) by companies operating in Washington with global revenues above \$1 billion was amended before passing the Senate. In its original form, businesses would be required to report to Ecology scope 1 and scope 2 emissions starting October 1, 2026, and scope 3 emissions in 2027. Disclosure must include emissions directly under their control, indirectly in the generation of electricity they consume, and indirectly through factors such as supply chain, employee activity or consumer activity. It was amended to require the Department of Ecology to research and deliver a report on the Security and Exchange Commission's (SEC) proposed climate disclosure requirements due to the Legislature 18 months after adoption of the final rule. The report must make recommendations for how Washington may align its own reporting requirements with the SEC's and whether they will be sufficient for purposes of complying with Washington's climate related policy goals.

Funding for Dredge and Fill Permit and Fee Rulemaking

The Department of Ecology has abandoned previous draft request legislation to give the agency permit and fee authority to regulate dredging and filling activities and instead is seeking funding to support rulemaking based on perceived existing authority. The agency argues the legislation is needed because the Supreme Court issued the [Sackett v US EPA ruling in May 2023](#) that exempts many wetlands, human-made ditches, and other waters from regulation. The National Association of Home Builders called the decision a “[victory against federal overreach](#) and a win for common-sense regulations and housing affordability.” The funding request is in the House and Senate operating budget.

\$2,408,000 of the model toxics control operating account—state appropriation is provided solely for the department to meet the increased demand for administrative orders authorized under chapter 90.48 RCW (the water pollution control act) for projects impacting state waters to proceed and to conduct a rulemaking to develop a permit program to protect wetlands and other Washington waterways no longer subject to federal jurisdiction. Through the rule-making process, the agency shall explore ways to fund the program, including through the development of a fee schedule.

Oil Pricing Transparency (SB 6052)- FAILED

The Senate considered legislation that would have imposed duplicative reporting requirements relating to oil transport for refineries, vessels, ports, pipelines, and terminal operators (SB [6052](#)). The bill would have required a 96-hour notice to the Utilities and Transportation Commission instead of obtaining data already transmitted to the Coast Guard and Ecology without contemplating a vessel trip of fewer than 96 hours' voyage. While intended to provide greater transparency on fuel prices it failed to consider cost increases resulting from the Climate Commitment Act. The bill was amended to remove vessels and ports before it died in the Senate.

LABOR

Unemployment Insurance for Striking Workers (HB 1893)

Legislation to pay striking workers unemployment insurance (HB [1893](#)) passed the House of Representatives and has a committee vote scheduled for February 19 in the Senate Labor and Commerce Committee. The bill is opposed by business groups and supported by organized labor. The [Washington Policy Center](#) argues that it changes the unemployment insurance system so that workers who voluntarily quit their jobs would be paid benefits, and costs would increase for all employers.

Crane Safety (HB 2022)

After testimony from the Columbia River Steamship Operators Association, legislation to increase regulations for the use of tower cranes (HB [2022](#)) was amended to clarify the new requirements do not apply to cranes used on marine vessels and at ports, terminals, and marine facilities for maritime activities.

Retirement Payroll Deduction (SB 6069)

The House will consider legislation requested by the State Treasurer to establish the "Washington Saves" program (SB [6069](#)). The bill has already passed the Senate and would create an automatic enrollment individual retirement savings account. Proponents argue the bill allows workers to opt out and they are more likely to save for retirement if they can use payroll deductions. Opponents are leery of another payroll program on the heels of the long-term care tax that is being challenged by Initiative 2124.

INFRASTRUCTURE

Transportation Electrification (SB 6304)- FAILED

The bill to implement [transportation electrification strategy recommendations](#) did not make it past the recent bill deadline for bills to pass. The legislation (SB [6304](#)) would have limited truck idling and received strong opposition from ports, trucking, and businesses. The bill would have also prioritized equity investments and given Commerce the authority to adopt energy efficiency standards for replacement tires.

Supply Chain Competitiveness Infrastructure Program (SB 6302)

Legislation to establish a supply chain grant and loan program (SB [6302](#)) passed the Senate unanimously and is pending action in the House Transportation Committee. There are 75 port districts, 11 of which are deep draft ports. This would help ports provide critical infrastructure for complex projects that do not always fit within current state programs. If passed, the Department of Transportation would administer the grants in consultation with Commerce.

For bill information go to www.leg.wa.gov or contact Amber Carter at amber.carter@comcast.net.