



WOMA is a member of the Western Petroleum Marketers Association (WPMA)



January 8, 2016

# Washington State 2016 Legislative – Session Kicks Off

*The 2016 legislative session begins Monday, January 11<sup>th</sup>.*

This will be a “short” 60-day session that is expected to end on time (or close to it) on March 11<sup>th</sup>. Given the makeup of the legislature with a democrat majority in the House and a Republican majority in the Senate, any controversial legislation is not expected to pass.

Because the session should be brief in comparison to the 178 days spent in 2015, we have hit the ground running to stay in front of WOMA priority issues. The following is a brief update on what we are working on:

## PLIA Executive Request Legislation

*As many of you know,* WOMA and WSPA have been working with PLIA the last two years to develop legislation that would create a revolving loan program to provide underground storage tank owners and operators currently unavailable financial resources. Briefly, the legislation would provide loans to:

- Remove, replace or upgrade underground storage tank fuels systems.
- Clean up contamination caused by legacy petroleum releases.
- Retrofit existing systems to disperse renewable or alternative fuels.

Through excellent work by PLIA, the governor’s office has approved the legislation and we have been working on getting bill sponsors and building a large coalition of support. We anticipate having House and Senate companion bills introduced prior to January 11<sup>th</sup> and believe we are already set for a hearing in the House and a work session in the Senate the first week. We

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# Wire



**ANNOUNCING!!!**

**JIM ELLIS**

*Senior Consultant PRISM*

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WOMA Convention  
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are cautiously optimistic that we will be able to get this done in the short session and will provide weekly updates on our progress.

## Governor's "Clean Air Rule" (Carbon Cap)

*On January 6<sup>th</sup> Ecology released* its first draft of a carbon cap rule as directed by the governor last May. Claiming authority under Washington's Clean Air Act, the rule would apply to most entities that emit over 100,000 metric tons of carbon per year. This threshold will be reduced by 5,000 metric tons per year capturing additional emitters until a 70,000 metric ton threshold is reached. Those covered under the rule will be required to reduce their emissions 5 percent every three years or otherwise purchase carbon credits on the open market.

For the petroleum industry, refiners will be affected in the manufacturing process as well as for end user combustion of petroleum products. Fuel importers will be captured for end use combustion.

Ecology claims administering the program will not have additional costs because it will be paid for through greenhouse gas reporting fees that were levied on the fuel supplier industry in 2012. As you may recall, WOMA has been fighting those fees the past several years. Unfortunately, now that they are tied to this new proposed rule, it is very unlikely we will succeed in repealing them with the present legislative makeup.

WOMA will continue to work with a larger coalition to assess and respond to the draft rule. Comments will be taken by Ecology until April 8<sup>th</sup>, and they expect a final rule to be adopted in June of this year.

## Initiative 732

### – Revenue Neutral Cap and Trade

On December 31, 2015, Carbon Washington submitted over 362,000 signatures to the Secretary of State, qualifying I-732 to go before the legislature. Initiatives to the legislature allow for three options: The legislature can pass the initiative, it can amend the initiative, or it can ignore the initiative. If the legislature ignores the initiative it will go to the November ballot and if it amends the initiative, in any way, both the original and amended versions go to the ballot.

I-732 is modeled after a similar program that has existed in British Columbia since 2008. It purports to be revenue neutral by raising taxes on fuel (\$25.00 per ton) while lowering the existing state sales tax from 6.5 percent to 5.5 percent and lowering the manufacturing B&O tax from .44 percent of gross receipts to .001 percent.

Another group is threatening to gather signatures for a carbon cap and trade initiative that would not be revenue neutral. The Alliance for Jobs and Clean Energy, backed by billionaire California environmentalist Tom Steyer, is proposing a measure that would tax fuel and use the revenues to support green technologies and a variety of social programs. At this time, it appears The Alliance for Jobs and Clean Energy is sitting on the sidelines watching what might happen with I-732 in the legislative process. Should they not like the outcome, it is widely believed they have more than adequate resources to purchase signatures in time to put their own initiative on the November ballot.

At this point it is hard to know how the legislature will respond in the face of competing initiatives and the governor's pending carbon cap rule, but we will keep you updated as the discussion evolves in the next several weeks.

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## DATES for Your Calendar:

# WPMA

# WPMA EXPO

• One Team • One Mission • One Goal

February 16<sup>th</sup> – 18<sup>th</sup> 2016

at the Mirage in Las Vegas, NV

Register on line at [www.wpmaexpo.com](http://www.wpmaexpo.com)



June 20<sup>th</sup> – 23<sup>rd</sup> 2016

**WOMA Convention**

at Suncadia Resort,  
Cle Elum, WA

Go to [www.wpma.com/washington](http://www.wpma.com/washington)  
for more details



# Wire

JANUARY 8TH

## Other Issues

We will no doubt see other issues affecting our members that typically include minimum wage increase proposals and a whole host of other human resource issues such as paid family leave and other measures that would increase costs to employers if passed. We will deal with these as they come and make sure they don't pass. In addition, we continue to monitor the Yakama Nation fuel import situation and will do whatever we can to keep the issue before the legislature.

As always, please do not hesitate to contact us should you have any questions.

## Department of Ecology Rolls Out TAP (*Taxpayer Access Point*)

**The Department of Ecology** is getting ready to release a new online payment system called Taxpayer Access Point (TAP). TAP will allow Fuel Tax customers to file and pay their taxes and receive their refunds online.

The new Fuel Tax Consolidation laws go into effect on July 1, 2016. These laws will simplify the current licensing and tax structure by consolidating the current licenses into five categories: Supplier, Distributor, Blender, Aircraft Distributor and Terminal Operators. All current licensees will need to register and reapply for a new license and bond to comply with the new laws.



DOE has an opportunity to allow customers to register for TAP as early as May, 2016. In an effort to get feedback on early registration, DOE has asked that our members complete the attached 6 question [survey](#) and do it as soon as possible. Please take the time to help DOE roll out a new system that will ultimately help WOMA Marketers and Distributors.

