

WASHINGTON ENERGY AND CONVENIENCE STORE CONFERENCE:

Washington Energy and C-Store Convention is JUST AROUND THE CORNER and I'm so excited to share with you our new schedule! It's going to be a great new line up! I've gotten several questions as to WHY we changed the trade show floor to Monday night and Tuesday morning. It's WOMA trying to respond to the needs of our exhibitors and Associate members. It was becoming habit that Wednesday afternoon was a good time for "play time," and less and less CEOs and true decision makers were hitting the floor. So we looked at the schedule and brainstormed ways to make it a win-win situation! Our thoughts are that if we move the trade show to Monday night and Tuesday morning, then we actually have the fresh minds of our decision makers, and their attention! It does require an overnight stay for our vendors; however, when I looked at last year's numbers, most of the vendors stayed overnight anyway. So the net room nights were minimal. The WOMA board and I are always searching for new ways to make this show the best it can be – for EVERYONE!

HIGHLIGHTS OF THE CHANGES:

- ✓ TRADE SHOW WILL OPEN on Monday, June 19th at 5 p.m. during the President's Reception! Hours on Monday will be 5-8 p.m.
- ✓ TRADE SHOW WILL OPEN again on Tuesday morning before golf from 8 to 9:30 a.m. with breakfast in the foyer!
- ✓ NEW Premium Table Top Trade Show Options on the GOLF COURSE!
- ✓ LIMITED to 9 holes/spaces @ \$1000 each.
- ✓ WOMA has shut down the extra room, and limited to 42 booths in the Main Room and Foyer. New space available on the Golf Course!
- ✓ GOLF this year will be at Rope Rider Golf Course
- ✓ GENERAL BUSINESS SESSION will be from 9 to 10 a.m. on Wednesday, June 21st
- ✓ EXPANDED AGENDA – ENERGY POLICY Discussion from 10 a.m. to 4 p.m. directly following the General Business Session
- ✓ NEW – Supplier Golf Opportunity on Thursday morning, June 22nd. This is where your supplier can take Marketers and Customers out to golf on the courses! We have revised this schedule to give ample opportunity for Marketers to connect with Exhibitors, offer Exhibitors exclusive time with their customers, and still provide entertainment time for our Major Oil Companies to take care of their customers!

The new schedule of the show has been sent out to everyone via mail, but is also on the website at www.wpma.com/washington/convention.

PMAA CONFERENCE IN WASHINGTON, DC:

Our trip to Washington DC is just a week away at the time of this writing, but sadly you won't see it until after the trip is final. So reporting on the details of the trip is difficult. What I can tell you is that we are anxious to feel the change in energy in Washington, DC with the new administration, and spend time checking the pulse on what we as marketers and the Association can do to facilitate positive change.

I want to send out a special thank you to the participants who have chosen to travel with us to DC this year, as it takes time from their business and family to represent our entire membership. They are: Todd Shaw, President; Steve Clark, Past President/PMAA Director; Chris Eerkes, Vice President; Steve Snider, 2nd Vice President; Brad Bell, WPMA Immediate Past President/PAC Co-Chair and myself.

In addition, it should be noted that Steve Clark (Genesee Energy) has also taken on the role of Chairman of the Heating Oil Committee for PMAA! We are proud of Steve, as he is a super strong leader, and look

forward to supporting him in his new role.

Now onto the juicy stuff...

WASHINGTON LEGISLATURE GOES INTO SPECIAL SESSION:

As of the time of this writing, the 105-day regular legislative session concluded on April 23rd. As expected, the Legislature was not able to finish its business of adopting a two-year State operating budget. As a result, we are now in the middle of a first special session, with the real possibility of additional special sessions on the horizon.

The primary issue facing lawmakers in passing an operating budget is fully funding basic education, as ordered by the State Supreme Court in what is known as the *McCleary* decision. As we have previously reported, in *McCleary*, the Court held that the State was in violation of its constitutional duty to adequately fund basic education by relying too heavily on local school levies. Currently, the democrat controlled House and republican Senate are deeply divided on how to eliminate that reliance.

The House has proposed \$4.4 billion in tax increases including a capital gains income tax, a carbon energy tax and a twenty percent increase in the general services Business and Occupation tax. While both bodies have passed their respective versions of the operating budget, the House has not voted on any of the tax increases upon which its budget relies. This being the case, the Senate refuses to negotiate with the House on any tax increases and has gone so far as introducing its own legislation mirroring the House tax proposals and putting them to a vote that unanimously failed the entire body of the Senate. The purpose of this vote was to send a message to the House that they don't have the votes for a tax increase, so negotiations will not begin with an assumption that there will be tax increases.

Moving ahead, WOMA will continue to actively monitor budget negotiations as they continue to include energy-related revenue proposals affecting the petroleum industry. More to come!

Key UST Cleanup Legislation Signed by Governor On April 17th, Washington Governor Jay Inslee signed House Bill 1266 into law. As previously reported, HB 1266 was WOMA's **top priority** for 2017 by expanding the authority of the Pollution Liability Insurance Agency (PLIA) to oversee UST cleanups previously conducted by the State Department of Ecology. This legislation will allow PLIA to address the nearly 3,000 identified leaking petroleum UST's in Washington and close out remediation projects by issuing No Further Action Orders.

We are extremely proud of our success in expanding PLIA's authority and note that HB 1266 builds on landmark legislation passed in 2016 (HB 2357) that created a revolving loan and grant program within PLIA for the repair, upgrade and replacement of fuel supplier facilities. As a part of our efforts in working towards the passage of these critical pieces of legislation we would like to acknowledge not only the support of the PLIA executive director and staff but also the Washington Environmental Council and the Western States Petroleum Association. These were true team victories that could not have been accomplished without an "all hands on deck" effort.

Tribal Fuel Tax Issues WOMA has engaged in a tireless effort to push back against tribal fuel tax compacts negotiated by the governor since they were first authorized by the legislature in 2007. Since that time, the State has remitted tens of millions of dollars to tribes in motor vehicle taxes. This money is intended to go to transportation related projects, which can't be verified and has resulted in many tribal fuel stations putting non-tribal stations out of business.

During the 2017 session, we were again able to defeat legislation designed to expand fuel tax compact authority to an additional tribe. HB 1063 would have expanded the current 24 tribal fuel tax compacts to an additional tribe not recognized at the time the original authorizing legislation was passed. WOMA members again made a compelling case that no further compacts should be negotiated until an overall review of all

compacts is conducted to determine how much money is being diverted from the State Highway Fund and whether the money remitted to the tribes is being used for purposes specifically outlined in the existing compacts.

In addition to the foregoing, an extremely high level of concern has been raised in the legislature over the sale of tax-free fuel by a single tribe. The Yakama Indian Nation, the State's largest tribe, reneged on its previous fuel tax compact with the State and is now transporting tax free fuel onto its reservation under an export license the tribe issued to two of its members. This fuel is being sold at ten large fuel stations located on the reservation and it is feared the tribe will start supplying tax free fuel to other tribes.

Senator Curtis King, Chair of the Senate Transportation Committee, introduced legislation (SB 5741) that would make it illegal for non-tribal members to purchase fuel from a tribe without a compact with the State and not pay the motor vehicle fuel tax. The bill has enforcement provisions by the Washington State Patrol and the Washington Department of Licensing, which is responsible for fuel tax collections. While the bill did not pass the legislature during the regular session, it remains alive as a budget matter and is likely to play a part in final budget negotiations. This bill is one to watch.

Remaining Tax Measures in Play The following tax proposals affecting the petroleum industry are still in play. They will not be covered in detail here, as they were covered fairly extensively in our last report. They are: **Carbon Tax Proposals:** There are currently six carbon tax proposals before the legislature. They vary in terms of price per metric ton of carbon and use of proceeds that vary from direct general fund revenue to funding clean energy programs. **Modal Toxic Control Act Surcharge:** Two pending bills would impose a \$50 million surcharge on the Hazardous Substance Tax within the MTCA account. **Recycled Fuels:** Pending legislation would eliminate the tax exemption for using recycled fuels produced and reused in the petroleum manufacturing process. This would have an annual effect on the industry of \$14 million.

CONCLUSION WOMA had remarkable success in the 2017 legislative session and we are proud of our accomplishments thus far. We will continue to remain active during the special sessions, working to defeat energy-related tax measures targeting the petroleum industry. Hopefully, we will be done before the ***WOMA Convention June 19 - 22. Hope to see you in Suncadia!***