

Washington Wire

By Lea McCullough, WOMA Executive Director

2018 Bill Tracking:

The 2018 Legislative Session started on January 8th and will run sixty days until March 8th. As many recall, a November 2017 special legislative election resulted in democrats taking control of the Senate, 25 to 24, and the House remaining in control of the democrats 50 to 48. This is the first time in five years that the House and Senate majorities are not split between the two parties. The result has been an unleashing of pent up demand by liberal democrats who have introduced dozens of bills harmful to business and, in particular, the petroleum industry.

WOMA has been working closely with the rest of the oil industry and the Association of Washington business taking a triage approach to fight back against the most immediate threats before us. This includes Governor Inslee's carbon tax, a low carbon fuel standard, a B5 biodiesel mandate by volume and several bills that would increase the hazardous substance (MTCA) tax.

Current thinking is that there are not enough votes to pass a carbon tax. However, the governor's office is working very hard to gain support of some in the business community in energy intensive trade dependent industries (mostly manufacturing) by exempting them from coverage in his bill. Many manufacturers believe if they don't join the governor they may be swept into a more comprehensive ballot initiative next November. Should this happen the petroleum industry will be left holding the bag. So, for now we have a huge fight on our hands on many issues.

Bad Bills Currently in Play

SB 6203 – Governor's Carbon Tax: Imposes a \$20/ton tax on carbon in 2019 with a 3.5% annual escalator beginning in 2020. Estimated immediate 12 cents per gallon motor vehicle fuel increase. Exempts many energy intensive trade dependent manufacturers.

HB 2338 - Imposing a Low Carbon Fuel Standard: Directs the Department of Ecology to adopt a rule establishing a program (Clean Fuels Program) to limit the greenhouse gas emissions per unit of transportation fuel energy to 10 percent below 2017 levels by 2028. Requires the Clean Fuel Program to include processes for the tracking of compliance obligations and bankable, tradeable credits.

HB 2757/SB 6226 – Imposes a B5 mandate on diesel fuels used for transportation purposes.

HB 2879 – Amends the State Clean Air Act: This bill gives the governor specific statutory authority to direct the Department of Ecology to adopt a Clean Air Rule. Specifically, it authorizes Ecology to require persons who produce or distribute fossil fuels to comply with emission standards or emission limits on emissions of greenhouse gases from those fossil fuels when the fossil fuels are used in Washington state. This bill was introduced in response to the currently successful challenge of the governor's Clean Air Rule.

SB 6269, SB 6463, HB 2182 – MTCA Tax Increases: Each of these bills have various schemes for increasing the hazardous substance tax (MTCA). SB 6269 would direct the increase to oil transportation safety and SB 6463 and HB 2182 are general tax increases for unspecified purposes.

Proactive Legislation Supported by WOMA

HB 2872 – Placing a Limit on Annual Payouts from the PLIA Home Heating Oil Insurance Program: This bill was brought to WOMA by PLIA that could not run the bill as agency request legislation as the issue compelling the legislation arose too late to get approval for the 2018 session. Briefly, the City of Seattle is pursuing a program to eliminate home heating oil tanks. Should this happen, it could result in overburdening the insurance fund to the point of collapse. HB 2872 would limit the annual payout from the program to \$11 million which would insure the program's stability without triggering a tax increase.

SB 6462 – Providing Real Estate Disclosure of Home Heating Oil Insurance Availability:

Requires a seller of residential property to notify a buyer if the property they are considering for purchase utilizes an oil tank for heating purposes. Provides that no cost insurance may be available from the Pollution Liability Insurance Agency for contamination cleanup.

SB 6159/HB 2453 – Extending the Underground Storage Tank Program: Ecology's UST program is scheduled to sunset in 2019 without reauthorization. Should it sunset the program would revert to the federal Environmental Protection Agency. WOMA is hopeful that PLIA will ultimately take over this program which could not happen if it sunsets. The reauthorization contains a ten-year sunset clause.

Conclusion

The foregoing is a non-exhaustive list of bills that we are currently engaged with. There are many other bad bills in the system that are not actively moving at this time but could be added should they see any activity.

Day On the Hill in Olympia! December 15th 2018

All members welcome to attend and use their voice for good in the industry. Please contact Dave Ducharme at *(206) 369-0440* to get an appointment with your legislator.