

Spring Magazine 2022

Washington Wire by Executive Director Lea McCullough

REGISTRATION IS OPEN

– *Washington Energy and C-Store Conference*

The Washington Independent Energy Distributors are very pleased to bring you a fantastic line up of events, networking opportunities and speakers at the WA Energy and C-Store Conference.

Visit our website at www.wpma.com/washington for details on the schedule, hotel reservations, and exhibiting opportunities!

Highlights include:

- **Motivational Speaker** Mike Schlappi will be joining us on Tuesday evening for a dinner engagement!
- **General Business Speakers** to include Denton Cinquegrana with OPIS and Jeff Hove with Fuels Institute to discuss relevant topics in electrification of WA and the state of affairs in the futures of the oil markets.
- **Golf Tournament** on Prospector Course.

Don't forget to get your hotel rooms early for the best rate and availability! Go to www.wpma.com/washington for link.

2022 Legislative Session End Report

On Thursday, March 10, the 2022 Regular Session of the Washington State Legislature came to a close. The session began in the darkness of the Omicron surge and ended with some optimism with just over 24 hours until the expiration of Washington's indoor mask mandate. Yet still, the session saw many of the same COVID-19 restrictions as last year, most notably the closure of legislators' offices to constituents, lobbyists, and most staff.

As a result, this year's session was again virtual for lobbyists and members of the public. Despite the continued insistence of the majority party that this virtual session resulted in more transparency than any other in history, the lack of access to staff and legislators, along with private Zoom meetings held by negotiators, meant that we did not see many final legislative proposals until hours before they were debated and brought to a vote.

The legislature spent much of its time attempting to fix mistakes made in recent sessions. Though Republicans failed in their efforts to repeal and replace the WA Cares Act (long-term care) the legislature did opt to delay the program until next year. They also made some modest changes to the police reforms enacted last session in the face of substantial blowback from law enforcement arguing the new reforms resulted in them being unable pursue suspected felons, among other limitations. The Democrats only considered one of many bills designed to curtail the governor's emergency powers and did not even elect to pass SB 5909; a weak half measure the governor claimed would not interfere with his ability to run the state under his emergency powers. The result is that the Governor will be free to continue the use of his emergency powers; now extending into year three.

Priority Issue for 2022 *SB 5974 - \$17 billion Transportation Revenue Package*

Exported Fuel Tax: This transportation revenue bill was passed on a party-line vote and will spend \$17 billion over a 16-year period. While it provides funding for new highway projects and invests in operation and maintenance, almost half of the package is designated for bike lanes, pedestrian corridors, multi-modal and "green" transportation initiatives.

The original bill sought to generate over \$2 billion from an exported fuel tax of six cents per gallon. This would have impacted nearly half of fuel exports from Washington refineries and severely impact WI/ED members supplying fuel to neighboring states. We worked with our Washington allies and enlisted the help of lobbyists from neighboring states to defeat the tax. In the end, an effective campaign threatening legal action and retaliatory measures convinced budget writers to abandon this poorly thought-out measure.

We had about one day to celebrate our victory when lawmakers turned to the Model Toxic Control Act account (MTCA) to replace the exported fuel tax. Ultimately, we were successful in swamping this plan and the budget gap was closed using additional general fund money and money from a public works account.

Border Area Local-Option Fuel Tax: Section 502 of the Revenue Package amended existing law providing for a one-cent per gallon tax on fuel to two-cents per gallon. This tax is only available to cities or towns located within ten miles of border jurisdictions and can only be enacted by a majority of voters within the city or town proposing the tax. We tried to remove this provision but lost any leverage we may have had by defeating the exported fuel tax.

Mandatory Electric Vehicle Target: Section 415 of the Revenue Package creates a “target” that all passenger and light duty vehicles of a model year of 2030 or later that are sold, purchased, or registered in the state be EV’s. Again, this bill passed on a party line. With democrats solidly in control, we were unable to remove this provision. That said, many democrats agree, as do we, that this target mandate is preempted by federal law governing vehicle emissions.

Other Significant Bills of Interest

Bills that Passed:

- HB 1732 – Delaying the payroll tax on the long-term care program by 18 months.
- HB 1733 – Exempts certain people from long-term care mandate that would otherwise be required to pay, but not qualify for benefits.
- HB 1655 – Directs the Department of Transportation to adequately staff state-owned safety rest areas to insure they be open for use except for seasonal closures or maintenance and repairs.

Bills that Did Not Pass:

- HB 1754 – Requiring pre-judgement interest in tort claims dating back to the date of the alleged injury.
- HB 1776 – Requiring union collective bargaining wages (prevailing wage) for private high-hazard facilities.
- HB 1837 – Repealing a voter-passed initiative prohibiting state regulation of work-related musculoskeletal injuries (instituting ergonomics regulations in the workplace).
- HB 2026 – Implementing a per mile charge on vehicles.
- SB 5897 – Temporarily suspending the state motor vehicle fuel tax.

Session Conclusion

While challenging, given the circumstances, we had a surprisingly good 2022 legislative session. With large democrat majorities it was difficult stopping bad legislation, but we had many successes as can be seen in the dead bill pile above, our defeat of the exported fuel tax and protection of the MTCA account. Some of this can be attributed to our particularly good work, failure of the majority party to effectively manage their priority issue and, in some cases, just pure luck.