

WOMA 2017 Legislative Session Update

OVERVIEW: The half-way point of the 105 day 2017 legislative session has just passed. The house of origin cut-off date is March 9th where bills must pass out of their originating body or be lost for the year, except for legislation that pertains to budget matters, which remain alive through the budget negotiation process.

The over-arching issue facing legislators this session is addressing the *McCleary* decision, where the State Supreme Court has held the legislature in contempt for failing to adequately fund K-12 education in violation of its constitutional mandate. The democrat controlled House and republican Senate are sharply divided in their approach to this funding issue. The democrats are calling for record tax increases while the republicans reject the notion that any new revenues are needed and that the issue can be resolved using existing resources. WOMA has a substantial interest here, as numerous democrat revenue proposals include several that would directly impact our industry.

WOMA PRIORITY LEGISLATION: That said, thus far the session has gone pretty much as expected for the petroleum industry. WOMA's top priority proactive piece of legislation is HB 1266 which increases the authority of the Pollution Liability Insurance Agency (PLIA). Specifically, the bill expands PLIA's technical oversight services on underground storage tank cleanups from its existing authority regarding home heating oil UST's to all petroleum UST's ranking a 3, 4 or 5 under the Department of Ecology's Site Hazard Assessment (1's and 2's represents more complicated cleanup sites not necessarily being UST's and will remain with Ecology). This new authority will allow PLIA to address a substantial backlog in Ecology's Voluntary Cleanup Program by overseeing cleanups and issuing No Further Action notices.

HB 1266 passed the House of Representatives on March 6th by a vote of 98-0 and is scheduled for hearing in the Senate Energy, Environment and Telecommunications Committee on March 9th. We are cautiously optimistic that we will see this bill delivered to the governor.

TAX MEASURES AFFECTING OUR INDUSTRY: On the revenue front, there are currently five bills proposing carbon taxes that generally direct revenues to a balance of K-12 education, clean energy and social service programs (SB 5127, SB 5385, SB 5509, HB 1555 and HB 1646). No meaningful votes have been taken on any of these democrat proposals to date, as it is uncertain there are sufficient votes to pass anything at this time.

In addition to the carbon tax proposals, there is pending legislation to add a \$50 million surcharge to the Model Toxics Control Account (SB 5501, HB 1663), an increase in the Barrel Tax (SB 5425, HB 1210 and HB 1868) and repeal of the tax exemption on extracted fuels generated in the refining process (SB 5112).

Finally, the governor has proposed instituting a capital gains income tax and increasing the business and occupation gross receipts tax on general business from 1.5 percent to 2.5 percent. The total of all these tax proposals exceeds \$4.4 billion which has resulted in a game of chicken between the House and Senate. It is widely speculated that there are insufficient votes to pass many of these taxes, which has resulted in Senate republicans challenging the democrat House to put them up for a vote.

CONCLUSION: The 2017 regular session will end on April 23rd but is highly likely that additional special sessions will occur because no one believes the divided legislature will be able to come to agreement on funding education by that time. In the end, it will come down to who will be willing to take a tax vote or whether the state can operate within existing means and still fully fund key programs; the first being education. Stay tuned.

Washington Energy & C-Store:

NEW and IMPROVED CONVENTION SCHEDULE

JUNE 19-22, 2017, SUNCADIA RESORT, CLE ELUM, WA

2017 IS GOING TO A BE RIDICULOUSLY FUN and innovative year for the WOMA Convention! We are going to be changing things up a bit – So pay attention to the following schedule! If you are a VENDOR – the Trade Show hours have changed! If you are a MARKETER PARTICIPANT – the General Business Session is growing into an Energy Policy Summit! Do I have your interested piqued? Stay with me!

HIGHLIGHTS OF THE CHANGES:

✓ **TRADE SHOW WILL OPEN** on Monday, June 19th from 5 - 8 p.m. during the President's Reception!

✓ **TRADE SHOW WILL OPEN** again on Tuesday morning June 20th before the golf tournament from 8 - 9:30 a.m. with breakfast in the foyer!

➤ **WOMA closed the EXTRA TRADE SHOW ROOM**, and limited the Trade Show to 42 booths including the foyer. New Table Top space available on the Roper Rider Golf Course!

✓ **GOLF TOURNAMENT** will be at ROPE RIDER GOLF COURSE

➤ **NEW PREMIUM TABLE TOP** Options on the Rope Rider Golf Course!

➤ **LIMITED** to 9 holes / Table Top spaces at \$1000 each.

✓ **GENERAL BUSINESS SESSION** will be from 9 a.m. - 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!

See the new WOMA convention schedule below: More details on speakers for the Expanded Energy Policy Discussion and registration mailing to follow shortly!

Monday, June 19th

8 a.m. – 4 p.m. Trade Show Set Up

10 a.m. – 8 p.m. **Registration Open**

5 – 8 p.m. **TRADE SHOW OPEN**
– **President's Reception** on the Trade Show Floor

8 p.m. *Dinner on your own*

Tuesday, June 20th

8 a.m. – 12 p.m. **Registration Open**

8 – 9:30 a.m. **TRADE SHOW OPEN**
– Breakfast in the Foyer

9:15 a.m. **Trade Show Raffle**
on Trade Show Floor!

9:30 a.m. Golf Course – Table Tops
Set Up **NEW!** (Premium Table Tops available on Golf Course for \$1000 each)

10:30 a.m. **Golf Tournament**
on Rope Rider Golf Course

TBD a.m. **Ladies' Wine & Dine**

3 – 5 p.m. **Registration Open**

6 p.m. **Welcome Dinner** with
Live Band at Nelson's Dairy
(Business Casual - Dress warm with outdoor shoes)

8 p.m. **Live & Silent Auction**

Wednesday, June 21st

8 a.m. – 12 p.m. **Registration Open**

9 – 10 a.m. **GENERAL BUSINESS**
– Association Reports
– Scholarship Presentation

10 a.m. – 12 p.m. **ENERGY POLICY**
SUMMIT – Energy Policy and Regulation

Take Your Customers Golfing!

Noon **Energy Policy Lunch**

1 – 4 p.m. **ENERGY POLICY**
SUMMIT *continued*
– Energy Policy and Regulation

6– 7 p.m. **Reception & Live**
Entertainment Evening
(Sponsored by US Oil & Refining)

Night Open **Supplier Dinners**

Thursday, June 22nd

8 a.m. **Brand Meetings**

10 a.m. **Supplier Golf**
Opportunity
– Prospector Golf Course
– Rope Rider Golf Course

WOMA SAYS GOODBYE TO A GOOD FRIEND OF THE OIL BUSINESS

John H. (Jack) Powell 1925-2017

It is with great sorrow and deep regret that we share the passing of Jack H. Powell, 92. Jack passed away peacefully at home Monday, February 28th, surrounded by family. His health had steadily been failing over the past year. Services for Jack will be held in April – date and location to be announced later.

Jack co-founded Sound Oil Company in Seattle, WA in January, 1950. Over the years he was very instrumental in building up the company into one of the most dominant retail heating oil companies in the Seattle area. Jack remained active in the business until after his 90th birthday! He dearly loved the heating oil business, and even at the ripe age of 90, enjoyed going to the office and engaging in conversation with customers and employees. Jack will be missed dearly by so many!