



Hidden Gas Taxes Vote NO on HB 1614

Is this really the right time for a \$1 Billion Hidden Gas Tax?

Questions and Answers About HB 1614

Q: What does HB 1614 do?

A: The bill imposes a fee of \$1.50 on every barrel of gasoline or diesel in Washington State to be used for managing storm water runoff to Puget Sound. That fee is essentially a hidden tax on gasoline and diesel fuel purchased by Washington drivers.

Q: How much would that cost?

A: According to the Office of Financial Management, HB 1614 would cost more than \$1.2 billion over ten years.

Q: But isn't storm water runoff a water pollution problem that needs to be managed?

A: Yes, the problem needs to be addressed, but HB 1614 is not the right approach for doing so.

Q: Why not?

A: HB 1614 puts the cart before the horse by arbitrarily imposing the entire cost of addressing storm water runoff on gasoline and diesel fuel consumers before completing the scientific analysis of storm water contamination that is already underway.

Q: What scientific analysis are you talking about?

A: The Washington State Department of Ecology and the Puget Sound Partnership have been working on a three-phase program to identify storm water contaminants, the impact they have on the environment and health, the cleanup measures that should be taken to reduce storm water pollution and the allocation of costs for these cleanup measures.

Q: You say this study is underway. When will it be complete?

A: Completion of the third and final phase is scheduled for June 2010, less than a year away.

Q: Why should the Legislature wait to act until the studies are complete?

A: The risk is that it could take the wrong action, which could be less effective and could be costly and counter-productive to correct. For example, recent findings by the Department of Ecology and other experts have concluded that the estimated total impact of stormwater run-off was originally overstated by some 67 percent and the impact of petroleum products within that run-off was overstated by more than 40 percent.

Q: If petroleum products are part of the problem with stormwater contamination, why shouldn't they help pay for the solution?

A: There is a big difference between being part of the solution and paying the entire bill. Instead we need a solution that requires that all those responsible pay their fair share to manage this problem.

Q: Aren't you just trying to delay action to cleanup Puget Sound in order to reduce your costs?

A: No. The scientific studies are scheduled for completion in a few months. With the complete information in hand, decision-makers can develop the best cleanup plan and an equitable method of paying for it. Our water quality is too important to leave to guess-work.

Q: Would HB 1614 have any impact on jobs?

A: Yes. Manufacturing costs matter, as Boeing's decision to locate the second 787 plant in South Carolina makes very clear. You can't expect to increase an industry's costs by more than \$1 billion and not have some impact on its ability to operate and create job opportunities for Washington families.

Q: So let's return to the cost. Why do you say this \$1+ billion fee is a hidden gas tax?

A: Those pushing HB 1614 know that gas taxes aren't popular with drivers and another word for driver is voter. So they're trying to mask the higher cost by calling it something else. But whatever you call it, adding government charges of more than a billion dollars means higher costs at the pump.

Q: How much more?

A: HB 1614 would be the equivalent of increasing fuel taxes by 4 cents per gallon on gasoline and most diesel fuel.

Q: Aren't gasoline and diesel taxes already high in Washington?

A: Yep. At 37 cents per gallon, our state gas taxes are the highest in the Northwest and the sixth highest in the country.

Q: Will drivers have to pay for HB 1614 even though they might not benefit?

A: It's important to remember that a tax on petroleum products would be paid by every driver in the state, while the money raised would be focused primarily on the Puget Sound region. This is a basic inequity.

Q: What's this about HB 1614 violating the State Constitution?

A: The 18th Amendment to the State Constitution requires that money raised through gasoline and diesel taxes be spent only for transportation purposes. By using what is essentially a gas tax for storm water projects, HB 1614 is open to constitutional challenge.

Q: Would raising gas taxes through HB 1614 have any impact on transportation funding?

A: One of the unintended consequences of HB 1614 is that raising gas taxes for storm water would mean there likely would be less capacity for raising funds to pay for vitally needed transportation programs and projects that would help reduce traffic congestion and reduce air pollution.