



Washington State Legislature

Delivered Via Electronic Mail

February 21, 2022

The Honorable Jay Inslee, Governor
Office of the Governor
PO Box 40002
Olympia, WA 98504

Dear Governor Inslee,

Due to the speed with which Senate Bill 5974 is progressing through the Legislature, there is an immediate need to express our deep concerns with how this proposal might impact our neighbors in Oregon, Idaho, and Alaska, and what steps they may take to respond to the 6-cent export fuel tax being proposed by our Democratic colleagues. Below is a summary of what we have heard from leaders in each state:

- Oregon: Governor Kate Brown has expressed increasing gas prices in Oregon to fund Washington projects is unacceptable. That sentiment was shared by State Senator Lee Beyer, who expressed potential retaliatory action against Washington if this was enacted, as well as State Representative Boshart-Davis and State Representative Brock Smith who both testified against the package in the Washington House Transportation Committee.
- Alaska: Governor Mike Dunleavy has expressed that if Alaska is to be "punished as a business partner with Washington State" the state will respond accordingly. An Alaska state representative stated he will propose a 6-cent per foot tax on Washington fishing boats that moor in Alaska harbors and a 6-cent tax on each fish brought into each of those boats. This will directly impact Washington's maritime trade industry. Concerns were also raised by U.S. Congressman Don Young, the longest-tenured member serving in the United States Congress.
- Idaho: Governor Brad Little and Attorney General Lawrence Wasden have both called for this proposal to be stopped, by veto if necessary.

The Legislature already has a path for supporting Washington's transportation system that will not raise concerns from neighboring states: Shift the sales tax on motor vehicles from the general fund to the transportation budget. Without asking for another dime from Washingtonians – or raising the cost of living for residents of other states – this approach can bring in billions of dollars to support transportation projects statewide.

This is especially prudent considering the glowing revenue forecast adopted February 16 that shows the surplus in the state general fund has climbed to an unprecedented \$15 billion. Clearly

this is more than enough to support transportation needs, as evidenced by the proposed \$2 billion-dollar transfer in SB 5974 to support the majority's proposed transportation package. Refusing to give serious consideration to reprioritizing revenue from an existing tax source, when the budget has a record surplus, would be fiscally irresponsible.

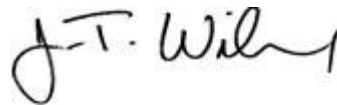
Please consider that this is a once-in-a-lifetime opportunity to change how Washington funds its transportation budget. There is a choice to be had: we can either make appropriate use of tax revenue that has a direct nexus to state transportation or punish other states that have little option but to obtain fuel from Washington refineries. One option will not risk retaliatory action against Washington from other states. The other will clearly take Washingtonians down the road of increased taxation during a period where those fiscal burdens are amplified while also causing irreparable damage to our relationship with the states in the region.

We recognize that our state has serious transportation infrastructure needs but ask that you reevaluate whether SB 5974 is the most thoughtful way to raise transportation revenues. We are ready and willing to work in a bipartisan manner to fund Washington's transportation obligations that will not place unconstitutional burdens on our neighbors.

Sincerely,



Senator John Braun
Senate Republican Leader
20th Legislative District



Rep. JT Wilcox
House Republican Leader
2nd Legislative District



Senator Curtis King
Republican Transportation Committee
Ranking Member
14th Legislative District



Rep. Andrew Barkis
House Transportation Committee
Ranking Member
2nd Legislative District