
SENATE BILL 6700

State of Washington

66th Legislature

2020 Regular Session

By Senators Mullet, Cleveland, and Hobbs

Read first time 03/10/20. Referred to Committee on Environment,
Energy & Technology.

1 AN ACT Relating to implementing a coordinated strategy of
2 reducing greenhouse gas emissions and making needed investments in
3 transportation infrastructure; adding new sections to chapter 70.94
4 RCW; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 70.94
7 RCW to read as follows:

8 The legislature recognizes the urgent need to act on climate
9 change. Washington state is experiencing the real world impacts of
10 climate change on a daily basis with reduced snowpack levels, threats
11 to infrastructure, wildfires, and changes in temperature. With a
12 significant portion of greenhouse gas emissions coming from the
13 transportation sector, it is the legislature's responsibility to
14 explore ways to reduce greenhouse gas emissions and the impacts on
15 Washingtonians. At the same time, there is also an urgent need for
16 additional investments in the state's transportation infrastructure
17 and for developing a climate resilient transportation network that
18 both addresses mobility and mitigates health and environmental
19 impacts into the future. This must include multimodal investments in
20 transit, bike and pedestrian pathways, as well as essential road and

1 highway maintenance, preservation, and improvement projects,
2 including the state ferry system.

3 Addressing climate change and providing resources for
4 transportation investments are not mutually exclusive, and in fact,
5 these public policy goals are inextricably linked. It is the intent
6 of the legislature that all these policies must work together. For
7 this reason, the legislature finds the need to have critical
8 additional information that will allow informed consideration of a
9 comprehensive set of proposals to fund needed investments in
10 transportation infrastructure and the best policies for reducing
11 greenhouse gas emissions in the 2021 legislative session. The
12 legislature is committed to enacting a transportation funding
13 proposal that moves Washington forward and implements the best
14 policies for reducing greenhouse gas emissions.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.94
16 RCW to read as follows:

17 (1) As part of providing additional information and analysis to
18 allow more informed consideration of a comprehensive set of proposals
19 to fund needed investments in transportation infrastructure and the
20 best policies for reducing greenhouse gas emissions for consideration
21 during the 2021 legislative session that are designed to meet the
22 state's climate goals, the department shall conduct further review of
23 some of these policies as specified in subsection (3) of this
24 section.

25 (2) This comprehensive set of proposals considered during the
26 2021 legislative session may also include statutory changes to
27 provide additional authority that was found lacking in Association of
28 Washington Business v. Washington Department of Ecology (No. 95885-8,
29 January 16, 2020) regarding certain regulations establishing emission
30 standards for producers and distributors of fossil fuels.

31 (3) In collaboration with the office of financial management, the
32 department must prepare a report evaluating the impacts to businesses
33 with multiple compliance obligations and consumers, cost-benefits,
34 and interplay with other regulatory systems and structures, from the
35 implementation of the following types of carbon and climate emission
36 reduction policies:

37 (a) A greenhouse gas emissions cap and trade program designed to
38 achieve the state's greenhouse gas emission reduction based on a

1 system of allowances that are tradable between covered entities,
2 registered participants, and other related programs; and

3 (b) A carbon pollution fee imposed on electricity generators and
4 natural gas utilities, and other suppliers which may include an
5 additional proposal to impose the fee only on the transportation
6 sector.

7 (4) (a) The evaluation of each of these policies must include, but
8 is not limited to, an assessment of the following:

9 (i) The estimated impact on the state's overall economy based on
10 gross state product or comparable economic measure;

11 (ii) The estimated impact on overall state employment, and
12 relevant employment sectors impacted by each policy;

13 (iii) A preliminary review of the small business economic
14 impacts;

15 (iv) Other appropriate measures of costs or cost savings
16 attributable to each policy;

17 (v) The specific estimated impact on the price per gallon of
18 gasoline and price per gallon of diesel fuel;

19 (vi) The impact to state gasoline and diesel fuel tax collections
20 due to elasticity;

21 (vii) The impact to other state and local government revenue
22 collections;

23 (viii) The total greenhouse gas emissions reductions attributable
24 to each policy; and

25 (ix) The impact on air quality and associated public health
26 implications.

27 (b) The evaluation must also include a review of the following
28 issues connected to the policies specified in subsection (3) (a) and
29 (b) of this section:

30 (i) How these policies are connected to any new requirements so
31 that compliance entities can achieve emission reduction targets and
32 comply with existing rules at the lowest compliance cost possible;

33 (ii) How other states and jurisdictions which have or are
34 considering adopting greenhouse gas regulatory policies and highlight
35 features relevant to consideration in Washington state;

36 (iii) An objective numerical criterion for both emissions
37 intensity and trade exposure for the purpose of identifying
38 emissions-intensive trade-exposed manufacturing businesses subject to
39 regulation, incorporating, to the extent possible, approaches used by

1 other jurisdictions with existing carbon reduction or carbon pricing
2 programs;

3 (iv) Concerns related to highly impacted communities, as defined
4 in RCW 19.405.020, including environmental and public health costs
5 and benefits from a cap and trade program or other carbon pollution
6 fee policies;

7 (v) Appropriate methods of consultation with Indian tribes on
8 decisions that may affect Indian tribes' rights and interests;

9 (vi) The type and availability of in-state and out-of-state
10 offset projects in sufficient quantity to meet demand;

11 (vii) The use of sequestration on a semi-permanent basis of
12 carbon in forests, materials, agriculture, and other terrestrial and
13 aquatic areas, and direct air carbon capture and storage as a
14 qualified pathway for meeting an emissions obligation.

15 (5) The department must identify the sources of information it
16 relied upon in the preparation of each assessment, including peer-
17 reviewed science. The department must also follow and incorporate
18 into its report the findings of the joint transportation committee's
19 transportation needs and funding mechanisms assessment as identified
20 in section 204(1), chapter 416, Laws of 2019.

21 (6) Before submitting the report as specified in subsection (3)
22 of this section, the department must contract for an independent
23 analysis of each of the assessments and associated estimates produced
24 under subsection (4) of this section. The results of this independent
25 analysis, including a summary of the differences between the
26 independent analysis and the information produced by the department,
27 must be provided as part of the report.

28 (7) The report prepared under this section must be submitted to
29 the office of the governor and the relevant fiscal and policy
30 committees of the legislature by January 1, 2021.

31 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
32 preservation of the public peace, health, or safety, or support of
33 the state government and its existing public institutions, and takes
34 effect immediately.

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