

2010 Legislative Review



Senator Linda Evans Parlette



May 2010

Dear Friends and Neighbors,

These are extraordinary times. People are genuinely concerned about the economy, overspending and the lack of job opportunities.

I went into the session believing the Legislature's two priorities should be getting government spending in line with revenue and helping private-sector employers create and retain jobs. I believe the majority party took the wrong approach when it suspended Initiative 960, the taxpayer protection act, and committed to raising taxes as the way to balance the budget, rather than enacting more government reform.

When you grow up on a small apple orchard, as I did, your livelihood is often weather-dependent. As a result, you learn to save for a rainy day and plan for ups and downs. We need to distinguish between our wants and our needs and focus on what is essential.

In this newsletter you will find recaps of the regular and special sessions, including more details about the state budgets. I will also be sending e-mail updates during the interim to keep you informed about what's going on over the summer and fall. If you don't receive those e-mails and would like to, please let me know.

Thanks to all of you who contacted me this session and shared your stories. As your legislator, I am here to represent you in the decisions made in state government. I hope you will continue to actively participate and share your ideas for how to handle the challenges facing our state this year. Thank you for the opportunity to serve as your state senator.

With warmest regards,

A handwritten signature in blue ink that reads "Linda".

Linda Evans Parlette
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Senate leadership:

Republican Caucus Chair

Senate standing committees

- Financial Institutions, Housing and Insurance
- Health and Long-Term Care
- Rules
- Ways and Means

Other committees

- Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board of Trustees
- Joint Legislative Audit and Review Committee (JLARC)
- Ruckelshaus Policy Consensus Center
- Civil Legal Oversight Committee
- National Conference of State Legislatures' Health Committee
- Council of State Governments WESTRENDS Board

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Special session

Governor Gregoire called the Legislature into a “special session” on March 15 because majority party leaders and budget writers did not reach agreement on their budget and tax plans within the regular 60-day session.

Twenty-eight days into the 30-day special session the majority party reached agreement on their package of new taxes. Some of the major taxes included in the package are:

- Higher business and occupation (“B&O”) taxes on employers that report in the “services” category. This will be a 20 percent increase and be in effect from **May 1, 2010 to June 30, 2013**. It will increase taxes by \$242 million between now and July 1, 2011.
- Beer tax increase of 50 cents per gallon. Microbrews are exempt. This amounts to an increase on a barrel of beer from the current tax of \$8.08 to \$23.58. It increases taxes by 28 cents per six-pack and will be in effect from **June 1, 2010 to June 30, 2013**.
- Increased taxes on soda pop of 2 cents per 12-oz bottle – an increase of nearly 50 cents per case. This tax is in effect from **July 1, 2010 to June 30, 2013**.
- Imposing the sales tax on candy and gum, with a B&O tax credit for in-state candy makers. This permanent tax goes into effect **June 1**.
- Imposing the sales tax on bottled water. This tax will be in effect from **June 1, 2010 to June 30, 2013**.
- Permanently higher taxes on cigarettes and other tobacco products **starting May 1**.

State capital budget

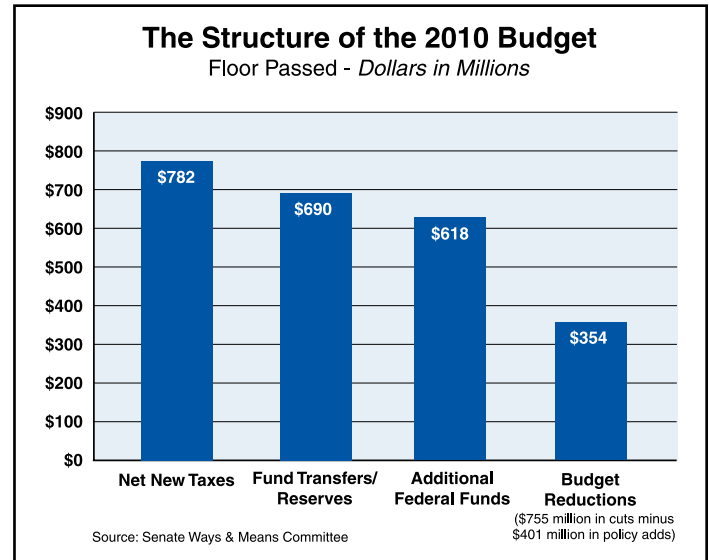
The purpose of the capital budget is to build, improve and repair public works projects around the state. It is usually noncontroversial and enjoys widespread support across both chambers and both sides of the aisle.

For the second year in a row, the capital budget became controversial when budget writers transferred money from the capital budget into the operating budget to be used for general state expenditures. Over the biennium, nearly **\$1 billion** was transferred. This includes more than \$500 million from the Public Works Trust Fund, which is supposed to be used to help cities and counties build infrastructure. **We are now spending bonded funds on general operating expenses and backfilling with more bonds.** That’s a recipe for long-term debt. I voted against the capital budget.

Balancing the state operating budget

The 2009-11 supplemental budget passed this year is “balanced,” but it is heavily dependent on one-time monies to fund ongoing programs. This means it is likely the Legislature will be faced with similar, or even bigger, budget challenges when writing the 2011-13 budget.

The chart below illustrates how the supplemental operating budget was balanced.



A better approach — focus on jobs!

The national unemployment rate is 9.7 percent; Washington’s unemployment rate stands at 9.5 percent. Employers have been hit hard this year by increased unemployment insurance (UI) and workers’ compensation (industrial insurance) taxes. We already have the second-highest workers’ compensation costs per employee in the nation. The Legislature should have done more to smooth out spikes in UI taxes and allow private competition for workers’ compensation coverage.

Raising taxes and adding more costs to employers will only make our recession worse and put more people out of work. I am disappointed the majority party chose an increase in business and occupation taxes as a way to balance the budget. Bottom line, the Legislature should create a sustainable budget by taking serious steps to address the fact that state government is spending more than it takes in each year. If we get people back to work and get state government spending in line with revenue, we all win.

Bills on citizens' minds

There were several bills that got the attention of citizens following the legislative process. I appreciated hearing from you on these measures.

- **Cell phone use while driving.** Senate Bill 6345, which passed the Legislature, makes it a primary offense to be holding a cell phone to your ear while driving, or to be reading, writing or sending text messages. Dialing a phone is not considered text messaging and a ticket for violating the law will not become part of a driver's record. Certain groups are exempt, such as transit and emergency vehicles. Governor Gregoire signed this bill; it goes into effect **June 10**.
- **Weapons ban.** Senate Bill 6396 would have banned the sale, manufacture, possession or transfer of assault weapons and conversion kits, and claim they are a nuisance. **This bill did not pass.**
- **Pregnancy resource centers.** Senate Bill 6452 would have brought private, non-profit pregnancy resource centers under the Consumer Protection Act and regulated the information they give to clients. At the hearing, legislators on both sides of the aisle expressed concern that state government was entering precarious territory by attempting to regulate what is said by private, non-profit organizations that receive no state funding. **This bill did not pass.**
- **Merger of land management agencies.** Senate Bill 6813 would have merged several land management agencies, including the Department of Natural Resources, Fisheries and others. Although government efficiencies are important, there was much concern because the missions of these agencies vary greatly. **This bill did not pass.**

Bills I sponsored signed into law

- **Protecting a loved one's final wishes.** The federal estate tax lapsed in December 2009. This inaction by the federal government subjects the desires outlined in the wills of those who die in 2010 to be decided in court. Depending on what a judge decides, a child or spouse could be left out. Senate Bill 6831 unanimously passed the Legislature; it ensures that Washington estates and trusts refer to the federal estate tax laws as they were before the exemption lapsed.
- **Bringing joy to chronically ill kids.** Senate Bill 5582 allows the Washington State Patrol to partner with local law enforcement agencies and hospitals to name chronically ill children as State Patrol "chief for a day."
- **Tax incentives to attract jobs.** Senate Bill 6789 offers a tax incentive designed to encourage "data center" type companies to locate in Washington.



Gov. Gregoire signed Senate Bill 6831 into law on March 10, making Washington the first state in the nation to adopt this important estate tax law protection.

Bills of interest to the 12th District

- **Updating property tax law.** Senate Bill 5424, which I sponsored, would have lowered the interest rate and removed the penalty if property was removed after 10 years in the “current use” program. The measure passed the Senate but not the House of Representatives. **I will re-introduce this bill again next year.**
- **Local jobs.** House Bill 2672 continues tax incentives for the aluminum industry through 2017. This measure will help our local aluminum employer retain jobs. **The bill unanimously passed during the special session.**
- **Condemnation of state-owned trust lands.** Senate Bill 6838 would have retroactively disallowed counties to condemn state-owned trust land and handed additional authority to the state Commissioner of Public Lands. If adopted, this measure would have interfered with the

Okanogan PUD’s plan for a transmission line from Pateros to the Methow Valley. **This bill died in committee.**

Update on two issues of local importance:

- **Ice Harbor/Stemilt land exchange.** The Legislature instructed the Department of Natural Resources not to finalize the exchange prior to June 30, 2011. This will allow time to carefully analyze the details before any decision is made.
- **Grand Coulee Dam School District.** The Legislature reserved \$17 million in the school construction account for the proposed Grand Coulee Dam School K-12 facility. This funding is contingent on receiving a federal appropriation.

Transportation update

The transportation budget pays for roads, transit and related projects across our state. It is primarily funded through gas tax revenues and vehicle-related fees, such as vehicle tabs. This year it continued funding for some key projects in the 12th District:

- **97A wildlife fence.** The transportation budget increased the appropriation for the wildlife fence by \$200,000 in the 2009-11 biennium, allowing for an additional 1.5 miles of fence to be constructed this summer. Extending the fence south to a location near an operating gravel pit will help keep wildlife away from the highway until the final, third stage is constructed in 2011.
- **George Sellar Bridge – additional eastbound lane (State Route 285).** Work on the south side of the bridge and pedestrian path is planned for June and project completion is expected late this year or early 2011.
- **East end of George Sellar Bridge – State Route 28 bypass.** Construction is scheduled to begin this August/September to build a southbound SR 28 bypass of Grant Road and relieve congestion at the intersection. Work will continue through 2011.
- **Eastmont Extension projects & SR 28/US2/97 intersection.** Douglas County is progressing on the first phase of extending Eastmont Avenue to the intersection of SR 28/US2/97. Plans are coming together to move to the next phase of the Eastmont work involving the bridge across Canyon “B” and Eastmont Avenue Extension roadway construction. This work will move forward later this summer.



Wildlife fence ground-breaking event. From left to right: Ken Harris, WSFNAWS, Ron Poppe, Wenatchee Sportsmen’s Assn., Rollie Schmitt, WDFWL Commissioner, Ron Bruno, Wenatchee Sportsmen’s Assn. and Mitch Reister, WSDOT Project Engineer.

A project of statewide significance – State Route 520 bridge in Seattle. The Legislature provided continued funding for the SR 520 bridge replacement project, and passed two bills to keep this important project moving forward. **Engrossed Substitute Senate Bill 6392** expands the use of toll-backed bond proceeds to fund improvements on either end of the bridge. **Engrossed Substitute Senate Bill 6499** establishes a process for administering tolls on the SR 520 bridge.

Key K-12 education bills

- **Race to the Top.** Last year the federal government announced it would give monetary “Race to the Top” awards to states that enact certain education reforms. Senate Bill 6696, which passed the Legislature the last day of the regular session, will move Washington closer to qualifying. Among other things, the bill:
 - requires the state to identify low-achieving schools, and contract with an external review team to conduct a performance audit of those schools;
 - requires an action plan for each audited school;
 - establishes performance criteria and an evaluation process for classified staff; and
 - establishes a four-level rating system for evaluating teachers and principals.
- **Levy equalization.** A recent King County Superior Court ruling concluded the state is not meeting its constitutional obligation for education funding, finding that local levies are used to fund a basic program of education. Substitute House Bill 2893, which passed the Legislature, increases local school districts’ taxing capacity and their levy equalization payments. The bill costs \$29.8 million over the remainder of this biennium, which runs through June 2011; \$119.9 million in the 2011-13 biennium; and \$114.4 million in 2013-15. I am concerned that SHB 2893 moves us in the wrong direction by forcing even more reliance on local levy funding. For this reason, I voted against the measure.

Health care

Several health-care related bills passed this year, including:

- **Pain management.** House Bill 2876 requires the professional boards for medicine, osteopathy, podiatry, dentistry, and nursing to adopt comprehensive rules for chronic, non-cancer pain management. New rules must include dosing criteria for the treatment of chronic pain, with requirements for practitioners to consult with pain specialists. Rules would not apply to palliative, hospice or end-of-life care, nor would they apply to managing acute pain caused by injury or surgical procedure.



- **Tracking ephedrine sales.** In 2005 the Legislature passed a bill requiring people to show identification and sign a logbook to purchase over-the-counter cold or allergy medications containing pseudoephedrine. This has allowed law enforcement officers to see who was buying these medications in bulk and possibly using the contents to manufacture methamphetamine. House Bill 2961 moves away from the handwritten log and toward a statewide electronic sales tracking system for ephedrine purchases. This will make tracking even easier for law enforcement. Several states have already adopted this type of electronic tracking.

Joint Select Committee on Health Care Reform

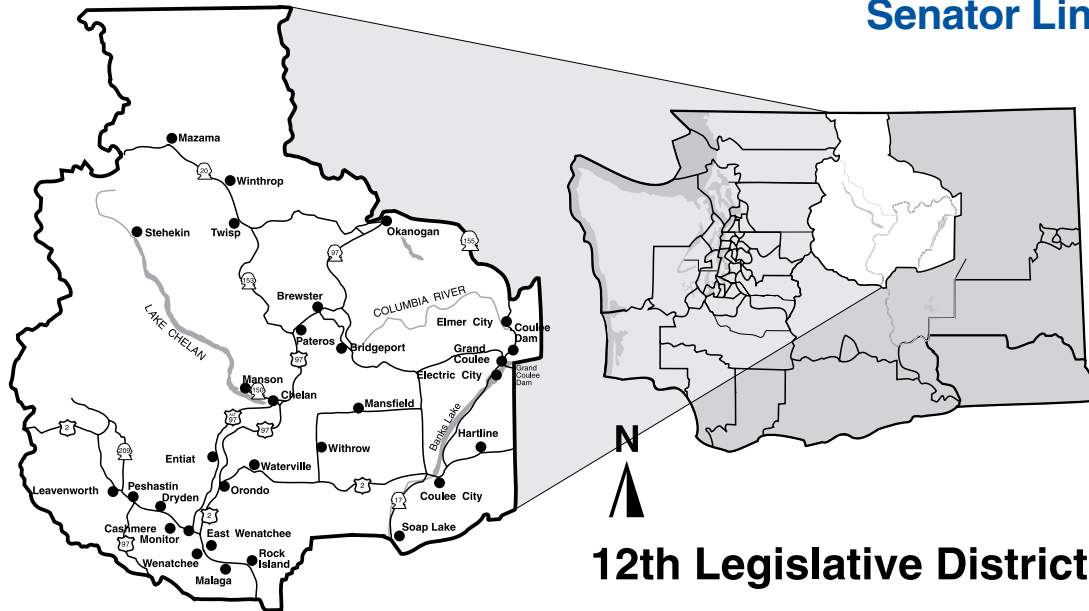
Earlier this year Congress passed major health care reform legislation.

Language in the state operating budget creates a 10-member Joint Select Committee on Health Reform Implementation. The committee will be co-chaired by the House and Senate health committee chairs. The co-chairs may direct the formation of advisory committees to focus on specific topic areas such as insurance regulation, access and expansion of public and private programs, and workforce issues, and may invite interested stakeholders and additional experts. There’s a lot to learn and it will be important to have a seat at the table as state government begins delving into this controversial issue. I look forward to serving on this joint select committee.

On the ballot in November

This year the Legislature passed two issues that will come before voters in November:

- The Nov. 29 slaying of four Lakewood police officers led to discussion about amending the state constitution as it relates to how accused criminals are released on bail. **House Joint Resolution 4220** allows judges to deny bail to someone who has committed a crime that could result in life in prison if the individual has shown a history of violence that could endanger public safety. It also stipulates that the Legislature may provide judges with criteria with which to determine if bail is appropriate.
- Voters will also consider a measure to sell \$505 million in general-obligation bonds to pay for weatherizing and energy-saving improvements to public K-12 and higher education school facilities. Under the measure, the bonds would be replaced with proceeds from making the **temporary tax on bottled water permanent**. The measure would require the state to **exceed the debt limit** imposed by law and the state constitution, which is why it must go before voters. I voted against this measure.



Senator Linda Evans Parlette



12th Legislative District