



2010

LEGISLATIVE AGENDA

THE COALITION REPRESENTS

11 CHAMBERS OF COMMERCE AND
10 STATE LEGISLATIVE DISTRICTS

Bellevue • Bothell • Issaquah • Kirkland • Maple Valley-Black Diamond
Newcastle • Redmond • Renton • Sammamish • Snoqualmie Valley • Woodinville

www.eastkingchambers.org



ABOUT THE COALITION

www.eastkingchambers.org

Legislative Breakfast

January 7, 2010

Our premier annual event, where members from each chamber and our legislative delegation come together to discuss the upcoming session.

Chamber Day in Olympia

February 3, 2010

Chamber members from across the state visit Olympia to meet with legislators.

Advocacy Efforts

January-March 2010

Delegates advocate for business concerns in Olympia during the Legislative Session.

Legislative Wrap Up

April 2010

Legislators discuss session highlights and provide insight into next year's priorities.

Legislative Report Card

April 2010

See how legislators voted on the issues that matter most to the Eastside business community.

To our Legislative Delegation and Business Members,

While only scheduled to last 60 days, the 2010 Washington State Legislative Session promises to be challenging.

Immense budget deficits of close to \$9 billion dominated the 2009 Session and have only worsened in the interim. In order to bridge an additional gap of at least \$2.6 billion, it is incumbent on our legislative leadership to search diligently for cost savings, recognize the impact of additional taxes on business and define a course that will ensure long-term economic vitality for our region and state. Short-term fixes are not an option as it can be reasonably expected that in January of 2011 the Legislature will be greeted by yet another massive deficit.

For 16 years, the East King County Chambers of Commerce Legislative Coalition has provided the means for Eastside business leaders to work cooperatively with our legislators. Comprised of 11 different Chambers of Commerce and spread across 10 of Washington's 49 legislative districts, the Coalition represents a powerful and diverse mix of small, medium and large businesses.

During each interim, delegates from each Chamber of Commerce work together to develop the Legislative Agenda for the upcoming Session. The following pages are the result of this year's effort and the highlighted section represents the Coalition's adopted top priorities of Transportation, Economic Development and Business Taxation.

Transportation:

We believe that continued investments in cost-effective transportation projects will assist our state by reducing congestion, accommodating expected growth and enhancing our quality of life.

Economic Development:

The recession that we are all experiencing will come to an end. Until that time it is essential that the legislature deliver a sustainable and forward-looking budget that will position Washington State as the global leader in educating an advanced workforce, attracting innovative business and laying the foundation for continued growth.

Business Taxation:

Business is the engine that powers our state and we encourage our leaders to enact legislation that spurs economic growth, lowers business taxation and relieves some of the pressures of regulation. Both the creation of new taxes, as well as the removal of existing tax breaks, are serious threats to much needed job growth.

The question this session is whether businesses will be encouraged or hampered by the actions of our Legislature. This will truly determine which path to recovery we take.

We hope that you will take the time to understand how the following issues affect the East King County business climate. We look forward to working with you.

Patti Smith
2009-2010 Coalition Chair
P. Smith Insurance Services

TRANSPORTATION

2010 SESSION PRIORITY

Investments in cost-effective transportation projects are necessary to achieve statewide goals that sustain job growth, increase personal mobility, reduce congestion, implement the Growth Management Act and improve our natural environment. Projects that enhance system efficiency while providing a high return on investment, such as those recently completed and underway on I-405, must be a top priority.

We urge the Legislature to:

- Ensure that investment for transportation remains a high priority and that project selection criteria favors those investments that provide improved safety, increased capacity and cost-effective congestion relief on key corridors in fast-growing urban area including I-405, SR 520, SR 522, SR 167, SR 169, SR 516 and I-90.
- Complete the SR 520 project as currently planned with four general purpose lanes, two HOV/transit lanes and capacity for two additional HCT lanes in the future. Complete design and finance plans for non-bridge components that are on budget, qualify for federal permits and adhere to the timeline to open by mid 2016. Should the project receive appropriations from the federal government, put those funds to immediate use toward components that are ready to construct.
- Reduce our transportation related environmental impacts and greenhouse gas (GHG) production by creating incentives for innovation and technology improvements while avoiding policies that mandate vehicle miles traveled (VMT) reduction and limit personal mobility.
- Establish and maintain a strict nexus between revenue sources and investments.
- All tolls received for use of new roadway and bridge capacity should only be used for the repayment of construction costs and capital replacement costs for that roadway.
- Conversion of HOV to High Occupancy Toll (HOT) lanes where current HOV capacity is underutilized and it has been determined this change would generate new marginal income for corridor improvements and not contribute to congestion.
- Construction of new lane capacity to be operated as a HOT lane where financial and performance models demonstrate that motorists who choose the option to pay a fee are provided speed and reliability and where the revenue expected to be generated is sufficient to pay for construction and capital replacement costs. Prohibit the conversion of planned general-purpose lanes to anything but general-purpose lanes.
- Funding strategies shall require any new tolling agency to make full annual public disclosure of its financial status on a project basis.

ECONOMIC DEVELOPMENT

2010 SESSION PRIORITY

With unemployment at the highest level in decades, economic development and job creation is a high priority for the entire State of Washington. A healthy and stable private sector is the primary engine of job creation and the main source of the taxes necessary to provide the quality of life and public services that have come to be expected.

We urge the Legislature to:

- Deliver a state budget that is sustainable, avoids tax increases and prioritizes those services that will drive future growth and prosperity for all of Washington's citizens.
- Provide adequate tools for infrastructure funding including expanding the LIFT program to a full tax-increment-financing (TIF) program.
- Restore Research & Development (R&D) tax incentives to the original pre-2004 rate and extend them to other growth sectors, particularly in areas proven to create jobs and strengthen industry.
- Partner with the private sector to remove regulatory obstacles and utilize tax incentives to cultivate an environment for manufacturing jobs in key industry sectors, including aerospace, and create new jobs in strategic areas such as clean tech, global health, renewable energy, software and IT, smart grid, homeland defense and other emerging business clusters and those industries that support these emerging opportunities.
- Protect funding for higher education and focus resources on high demand enrollments including science, technology, engineering, mathematics and workforce training necessary to support the targeted job growth goals.

BUSINESS TAXATION

2010 SESSION PRIORITY

The Department of Revenue has stated that the tax burden on Washington business is the highest of seven western states and overall businesses pay forty-five percent of Washington's taxes. Without business taxation reform Washington State will remain less competitive globally and will continue to experience a high business failure rate.

- Do not raise taxes on business to compensate for revenue deficits.
- Return to the Priorities of Government model in developing state budgets.
- Exercise fiscal restraint and ensure that performance audits, measurement, and continuing evaluation are incorporated into the process.
- Exempt Business & Occupation tax on the first \$250,000 of gross receipts.
- Repeal Washington estate taxes to prevent wealth from migrating out of state.
- Oppose any shift from the uniformity of property taxation to split tax rolls to avoid any additional tax burden on businesses within the state.

EDUCATION

2010 SESSION POSITION

Business needs educated and highly skilled employees to grow and thrive. Washington State's education system does not fully meet the needs of current or future Eastside businesses, in English proficiency and communication, healthcare, the skilled trade industries and in the fields of science, technology, engineering, mathematics (STEM).

Recognizing the State of Washington's funding restrictions and the intents of adopted legislation and the needs of business, we encourage emphasis on the following provisions and mandated educational direction:

- **Workforce Development:** Create a more competitive workforce by emphasizing STEM and career and technical Education (CTE), at all educational levels.
- **Accountability:** Ensure the state is accountable for achieving educational standards and supporting continuous outcome-based improvement for the purpose of a highly educated, skilled and employable workforce.
- **Funding:** Continue to strive for sufficient state funding that allows educators to meet the skill-set demands for highly proficient employees required for Eastside business viability and growth.

EMPLOYMENT AND BENEFITS

2010 SESSION POSITION

To survive this economic downturn, the private sector has had to use every tool available to cut costs and deliver better service. We have not seen our state government making the same kind of sacrifices with its employees. Instead, government employment has grown bigger, state employee benefits remain the same and the private sector is asked to pay higher taxes to sustain it. Further, Washington State discourages employers from expanding and creating jobs because we have the highest minimum wage in the nation, we are not a right-to-work state and our Unemployment and Worker's Compensation taxes are almost three times as high as the national average.

The legislature can help businesses and our economy get back on track by doing the following:

- Reject the tenets of the Worker Privacy Act that limit the right for employers to discuss work-related issues with employees while maintaining employee court ratified rights; resist all efforts to eliminate or restrict employee choice and privacy with respect to secret ballot union elections; and do not impose state-level collective bargaining obligations on state employers; or those employers who receive payments from the state.
- Repeal Paid Family Leave.
- Reduce wages and benefits for state employees to be consistent with average levels and types provided in the private sector.
- Freeze the minimum wage and allow employers to pay less per hour in specific, warranted situations (apprenticeship, employee minors, internships, etc.)
- Legalize private Worker's Compensation insurance and move the system towards greater choice and competition.

ENERGY

2010 SESSION POSITION

A reliable and sustainable energy supply is vital to the continued economic growth and strength of Washington State.

We urge the Legislature to:

- Facilitate utilities' ability to comply with the requirements of I-937 in an increasingly competitive renewable resources marketplace by; adding policies to recognize hydro and biomass resources, allow renewable energy purchase in a larger geographic area, clarify renewable energy credit banking, and allow greater incentive recognition of solar installation.
- Create incentives and reduce regulation to increase development of a diverse portfolio of cost effective conventional and renewable energy resources including but not limited to hydroelectric, geothermal, solar, wind, fuel cells, and tidal/wave-powered for generation, and biomass. This would include the transmission infrastructure necessary to deliver these energy resources to the state's load centers.
- Recognize and support the responsibility of local government to address siting of critical energy infrastructure in long-range land-use plans in a manner that will ensure the reliability of energy services and allow cities to protect vital infrastructure information for security purposes.

LIABILITY REFORM

2010 SESSION POSITION

Washington State's tort system places a repressive burden on business. The overall economy suffers when productivity and growth are slowed by excessive litigation, which discourages risk-taking and slows the introduction of new products and technologies. The cost of liability insurance is forcing businesses to pay higher taxes, leave our state, and close their doors.

The Coalition urges the Legislature to:

- Enact laws to limit lawsuit abuse, reduce the cost of defending lawsuits, and reduce the practice of using courts to regulate business.
- Advance proposals to help resolve cases faster and increase the fairness and predictability of the civil justice system.
- Support legislation that makes the reward proportional to the defendant's fault, limits defendants to only responsible parties and maximizes compensation for the plaintiff versus the lawyers.
- Support legislation that encourages and oppose legislation that discourages builders and subcontractors from successfully providing housing affordability.
- Oppose efforts to unduly burden the homebuilding industry with additional warranty standards that result in increased housing prices and decreased insurance availability for new construction.
- Repeal the Insurance Fair Conduct Act of 2007, and do not expand the premises of the measure to encompass health insurance.

TECHNOLOGY

2010 SESSION POSITION

Washington State is a leader in technology. To ensure continued technological advancements and investment in technology infrastructure, it is critical for the state to maintain a regulatory environment conducive to business growth.

The Coalition urges the Legislature to:

- Encourage fair and robust competition to create greater consumer choice.
- Ensure regulatory consistency by treating like services alike, regardless of the industry providing the service.
- Retain tax incentives for technology research and development.
- Support policies that encourage private sector investment in infrastructure and development of advanced communications technologies, including public-private partnerships to increase broadband availability and adoption.
- Oppose unnecessary regulatory restrictions on emerging technologies.

ENVIRONMENT

2010 SESSION POSITION

As legislators and the Governor grapple with the economic challenges in Washington State, we must reassess our environmental priorities to ensure that we are receiving the most environmental benefit in a way that truly promotes long-term job creation and prosperity. Mandates tend to drive costs up and a blanket approach on environmental policy often creates undue or extreme hardships in some local jurisdictions, depending upon their topography and other factors.

- Allow local jurisdictions to craft their own appropriate approaches to low impact development and give them more flexibility on environmental mandates to determine what is best for their area.
- Insist that environmental regulations, especially in urban areas, are market and incentive-based (not mandated) and that they have clearly defined, measurable outcomes. Focus on the financial/economic impacts of environmental regulations and sustainability initiatives – not just the environment and social impacts. Maintain a healthy balance among these three pillars of sustainability.
- Require state agencies with broad environmental mandates to have more accountability to the private sector by requiring an economic analysis to accompany significant regulatory proposals. Have clearly defined outcomes and designate clear areas of authority for achieving the desired outcomes.
- Oppose implementation of Cap and Trade at the state and local levels.
- Eliminate the state mandate to reduce per capita vehicle miles traveled.

REGULATORY REFORM

2010 SESSION POSITION

Despite changes to the rulemaking process enacted over the past decade, Washington continues to be a heavily regulated state, putting us at a competitive disadvantage.

The Coalition urges the Legislature to:

- Insist on the burden of proof that an agency must provide when requesting new rules. This includes an analysis of the new rule's compatibility with existing rules, an economic impact analysis, a review for unintended consequences and proof that the new rule will coordinate with existing local, state, federal laws.
- Require that agencies have legislative authority to develop new rules and cite specific text of law when doing so.
- Support legislation that requires the Governor's signature on significant rules as defined in RCW 34.95.328 before becoming effective.

GROWTH MANAGEMENT

2010 SESSION POSITION

As a state we need to be prepared for anticipated growth by ensuring that there is an adequate supply of economically feasible buildable land with the infrastructure to support it. Our state must do no further harm to the construction industry and prepare for the future growth of our region. We must provide predictability, consistency and flexibility in our regulatory structure.

We urge the legislature to:

- Reduce state regulations that add cost and/or unpredictability to building; or that might conflict with impending national regulations.
- Require losing appellants to bear the actual costs created by private challenges to land development.
- Support statewide incentives for density/and mixed use, but also allow for local flexibility and control; direct state resources to where growth is most effectively accommodated.
- Enforce legislation that requires impact fees and infrastructure revenue from excise taxes to remain restricted to currently designated capital infrastructure and to be invested in a timely fashion.
- Ensure property owners are given automatic, equivalent and just compensation for property takings and do not deprive property owners of reasonable use.

HEALTH CARE

2010 SESSION POSITION

Reducing the cost of health care is a top priority.

We urge the legislature to:

- Oppose government run Connectors and government run purchasing co-ops that compete with the private market and oppose mandates that require employers to provide health insurance.
- Enact meaningful tort reform that will reduce physician expense and over-utilization of services.
- Enact legislation to allow insurance companies to offer an affordable core benefit plan.
- Empower consumers to make good health care choices by enacting legislation that encourages improved technology and data transparency.

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Sine Die: Thursday, March 11, 2010

www.leg.wa.gov/legislature

A SPECIAL THANKS TO OUR COALITION SPONSORS

