

2012

LEGISLATIVE AGENDA



East King County
Chambers of Commerce
Legislative Coalition

The Coalition Represents 10 Chambers of Commerce

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

www.eastkingchambers.org

ABOUT THE COALITION

www.eastkingchambers.org

Legislative Breakfast

January 5, 2012

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

Chamber Days in Olympia

January 17 & 18, 2012 - AWB

February 1, 2012 - Coalition

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

Advocacy Efforts

January - Sine Die

March 17, 2012

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

Legislative Wrap Up

Post-Session 2012

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

Legislative Report Card

Post-Session 2012

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

To our Legislative Delegation and Chamber Members,

The business community and our state government are at a critical crossroads. We have reached a point in the economic cycle where we must find solutions for continued, long-term growth. We must chart a course for a sustainable future with sound fiscal policies that recognize the important role the business community plays in our economy and one that will bring us back to prosperity.

The East King County Chambers of Commerce Legislative Coalition recognizes the Legislature has many difficult decisions to deal with. In order for our state to have a strong economic future, the business community must be at the heart of the solution. If the Legislature can work to implement an agenda that lowers the cost of doing business in this state, it will be easier for businesses to create jobs and sales thereby increasing the state's overall tax revenue.

In order to accomplish this, our Coalition produced our 2012 Legislative Agenda with our suggested solutions for the Legislature. This was produced in a collaborative effort from 10 Eastside chambers of commerce and approved by all 10 boards of directors. During this 60 day session, we strongly feel that the top three focus areas for the Legislature should be:

- 1) Business Taxation/Economic Development
- 2) Transportation and
- 3) Education.

These three issue areas are critical to our state's economic future both in the short-term and the long-term.

We urge our fellow chamber members to use this document when talking to our Legislators about issues affecting their businesses and we strongly encourage our Legislators to consider the points contained in our Legislative Agenda when drafting and voting on legislation. We hope you will look at the challenges we face as an opportunity reform our government and to chart a sustainable course for our state's economic future.

Sincerely,



Kathy Putt
Chair

East King County Chambers of Commerce Legislative Coalition

ECONOMIC DEVELOPMENT/BUSINESS TAXATION 2012 SESSION PRIORITY

According to the Council on State Taxation, Washington businesses pay 51.2 percent of all taxes in the state, one of the highest business tax burdens in the nation. These high taxes, coupled with other high employment costs, impair the ability of state employers to create and retain jobs. Without significant business taxation and employer cost reforms Washington State companies will remain less competitive globally, will continue to experience a high business failure rate and be unable to provide sufficient family-wage job opportunities for the residents of the state.

Economic development and job creation must be a high priority for the entire state of Washington. A healthy and stable private sector is the only sustainable engine of job creation and the main source of the taxes necessary to provide the quality of life and public services that our citizens have come to expect.

We urge the Legislature to:

- Develop a state budget that is sustainable within existing revenue.
- Utilize tax reductions and incentives to foster job creation and retention.
- Return to the bi-partisan 2002 “Priorities of Government” model and prioritize those services that will drive future growth and prosperity for all of Washington’s citizens.
- Establish a long-range financial plan.
- Provide adequate tools for infrastructure funding including expanding the LIFT program to a full tax-increment-financing (TIF) program or its equivalent.

Economic Development/Business Taxation: How?

We urge the Legislature to:

- Exercise fiscal restraint and ensure that performance audits, measurement, transparency and continuing program evaluation are incorporated.
- Exempt Business & Occupation tax on the first \$250,000 of gross receipts
- Retain the existing, cost-effective state tax incentives to promote investments in research and development (R&D) and manufacturing equipment.
- Support the Washington Aerospace Partnership and other stakeholder groups in developing a unified strategy to ensure that Washington State remains the world’s leader for aerospace production and jobs.
- Reduce Washington estate taxes to prevent wealth from migrating out of state.
- Oppose any shift from the uniformity of property taxation to split tax rolls and oppose an additional tax burden on businesses within the state.
- Increase State Environmental Policy Act (SEPA) categorical exemptions.

TRANSPORTATION**2012 SESSION PRIORITY**

The Coalition supports increased investments in cost-effective transportation projects to allow economic development, support long-term 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 capacity improvements recently completed and underway on I-405, must be a top priority.

We believe effective investments in transportation infrastructure are best developed by adhering to the following basic principles:

Performance

- Congestion Relief should be restored as a priority for investments in transportation projects in Washington State.
- Projects should be prioritized by safety, operational efficiency, market demand, contribution to economic development, improvement of freight mobility, in fast growing urban and suburban areas.
- Provide legislative authority for High Occupancy Toll (HOT) lanes only if they: 1) provide additional new capacity; 2) generate positive revenue net of construction and operating costs; and 3) increase overall through-put when compared to general purpose lanes.

Funding

- Financing plans necessary to fund the capital, operating and maintenance costs of our transportation system should be weighted toward user fees as the primary source.
- Revenues from tolling should be collected and spent on projects for the benefit of those who pay them and considered as a funding source only for specific high-cost facilities and additional highway capacity.
- All traditional and new transportation taxes and fees on automobiles and trucks (e.g., all road user taxes such as fuel taxes, weight fees and toll revenues) should remain and be dedicated to street and highway uses and be protected under the 18th Amendment of the Washington State Constitution.
- Any additional funding sources should be efficiently collected and have low administrative costs (e.g. State Gas Tax 2-3% overhead)

Transportation: How?

We urge the Legislature to:

- Increase the State Gas Tax as the primary funding source for expansion and maintenance of Highways of Statewide Significance. Use programmatic step increases to ensure revenues at least keep pace with inflation.
- Maintain the existing limit on state funding or local funding authority for local or regional transit until significant increases in performance metrics are achieved (e.g. greater farebox recovery).
- Prioritize Transportation Benefit Districts (TBD) to provide revenues for new transportation capital improvements. TBDs for maintenance and operations should only be allowed to supplement existing transportation budgets.
- Reinvest State Sales Tax gained from state and local transportation projects in the projects from which the revenues are derived.
- Replace the unworkable existing State policy to reduce vehicle miles traveled with significant incentives to reduce our transportation-related environmental impacts and greenhouse gas emissions.
- Accurately credit the greenhouse gas reductions, water quality improvements, and fish habitat enhancements from urban transportation projects, especially for funding prioritization.
- Maintain the current use and configuration of existing general-purpose lanes.
- Require State tolling agencies to make full annual public disclosures of their financial status, on a project basis.
- Require monitoring, maintaining performance standards and full mitigation of the impacts of tolls on local communities' transportations systems,(including the highways travelling through them.
- Implement a mechanism for equitably assessing alternatively powered vehicles for their use of the roadway.

EDUCATION**2012 SESSION PRIORITY**

State competitiveness for business and jobs in a fierce national/global marketplace is critical, as a strong business community supports sustainable funding for all of Washington's public priorities and commitments. Thus, it is clear that our state's long-term competitiveness is firmly dependent upon whether investments and reform in the state's education system are brought to fruition within the next few years.

Washington State's education system does not fully meet the needs of current or future Eastside businesses, in the fields of science, technology, engineering, and mathematics (STEM), in English proficiency and communication, healthcare, the skilled trade industries, and career and technical education. It is estimated that by 2018, 67 percent of jobs in Washington will require some form of postsecondary training. Yet for class of 2008, Washington is in the bottom third of states (at 72%) for four-year high school graduation rates¹ and ranks 35th out of 50 states in bachelor degrees awarded per capita².

As it pertains to K-12, we urge the Legislature to:

- Facilitate the implementation of innovation schools in order to create competition in our education system.
- Reform teacher (and principal) tenure to ensure the highest quality teachers remain in the classroom.
- Allow incentive pay, so we can reward and retain the best teachers in the profession.
- Explore innovative ideas to create interaction between businesses and schools.
- Give local jurisdictions more control over budgets and hiring.

As it pertains to higher education, we urge the Legislature to:

- Maintain state commitments to the State Need Grant Program and the Washington Opportunity Scholarship Fund.
- Invest in new infrastructure projects at existing higher education institutions such as the University of Washington Bothell, Bellevue College, Lake Washington Institute of Technology, Cascadia Community College, Renton Technical College and Green River Community College.
- Focus investments on areas of critical state need and workforce needs, such as STEM and workforce retraining.
- Increase opportunities for efficiency and innovation in the four-year sector that would result in increased flexibility and budget savings, and enhance performance outcomes deemed critical to the academic and workforce development mission of the institution.

¹ U.S. Department of Education Dashboard

² National Center for Education Statistics

EMPLOYMENT AND BENEFITS

2012 SESSION POSITION

The Legislature can help Washington businesses create jobs and help our economy get back on track by doing the following:

- Maintain the right for employers to discuss work-related issues with employees; 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 Family Leave Insurance Act of 2007 as an un-funded, unworkable mandate.
- Reduce wages and benefits for state employees to be consistent with average levels and types provided in the private sector, ensuring long-term budget sustainability.
- Privatize Worker's Compensation insurance to move the system towards greater choice and competition, thereby reducing costs.
- Do not expand Unemployment Insurance benefits and do not transfer UI funds to unrelated state programs. Freeze voluntary quits.

ENERGY

2012 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.
- Oppose requirements such as Feed-in-Tariffs that would artificially raise energy prices by requiring utilities to purchase renewable resources at inflated costs, ultimately increasing rates to businesses.

ENVIRONMENT

2012 SESSION POSITION

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 local jurisdictions.

We urge the Legislature to:

- Give local jurisdictions more flexibility on environmental mandates to determine what is best for their local conditions.
- 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.
- Repeal the 2007 Phase II Municipal Stormwater Permit for Western Washington requiring the Stormwater Management Program.

GROWTH MANAGEMENT

2012 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 to lower cost and/or improve predictability for construction that might conflict with impending national regulations.
- Require losing appellants to bear the actual costs created by private challenges to land development.
- Tie state infrastructure funding to cost-effective local investments.
- 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

2012 SESSION POSITION

We urge the Legislature to not add to the expense of health care:

- If an Exchange is to be implemented, work within the mainstream of other states to determine the most workable structure.
- Do not add to the expense. Continue to utilize the existing agent/broker system to assist citizens in the selection of health plans, inside or outside the Exchange.
- Ensure Federal money is committed (received) before expanding Medicaid.
- Enact meaningful tort reform that will reduce physician expense and over-utilization of services.

LIABILITY REFORM

2012 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.

We urge the Legislature to:

- Enact laws to limit lawsuit abuse 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.

TECHNOLOGY

2012 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.

We urge 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 to increase broadband availability and adoption, including public-private partnerships in un-served areas of the state.
- Oppose unnecessary regulatory restrictions on emerging technologies.

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Session Begins: Monday, January 9, 2012

Sine Die: Saturday, March 17, 2012

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