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Governor releases budget that relies on higher taxes

This week, Governor Jay Inslee finally unveiled his long-awaited budget proposal. Unfortunately, though he promised to avoid tax increases on the campaign trail, his budget relies on new taxes totaling **\$1.4 billion over the next two years**, including tax increases on businesses, oil refineries, beer and bottled-water drinkers and out-of-state shoppers.

Particularly disturbing is Inslee's suggestion that **state tuition should be increased by as much as 5 percent**. It is really disheartening to college students everywhere, when the Majority Coalition Caucus outlines a plan that reduces tuition by 3 percent across the board, yet the governor is calling for increasing rates for students enrolled in our two biggest schools by 5 percent per year?



Additionally, how are we going to promote private-sector job growth when his budget calls for additional taxes on state businesses, computer software, phone service and new taxes on automobile purchases? Yet the proposed package includes **approximately \$800 million in increased compensation payments for public employees**. This proposal is not the direction our caucus is heading, nor do I expect any of our 25 members to support this plan.

Here's a list of **twelve tax increase proposals by the governor** for the 2013-15 biennium, which are now called the governor's "Dirty Dozen:"

1. Tax increase on recycled fuel environmental programs at Washington's oil refineries – **\$40.8 million.**
2. Tax increase on new car purchases – **\$94 million.**
3. Tax increase on bottled water – **\$51 million.**
4. Business and occupation tax increase on most state businesses – **\$94 million.**
5. Making temporary taxes set to expire on service-industry businesses permanent – **\$534 million.**
6. Tax increase on prescription drugs – **\$29 million.**
7. Tax increase on computer software – **\$78 million.**
8. Tax increase on telephone services – **\$83 million.**
9. Tax increase on import commerce – **\$24 million.**
10. Making temporary taxes set to expire on beer permanent, and extending the tax to the state's microbreweries (which were originally exempt) – **\$127 million.**
11. Extending state sales tax to non-residents of Washington state – **\$63 million.**
12. Tax increase on farm vehicles – **\$5 million.**

The status of my bills in the House of Representatives

Since mid-March, the Senate has been holding hearings on House bills and the House has been considering Senate bills. Many of my bills have received public hearings in House committees, while some are still awaiting action.

SB 5679 – My “rules review” bill. This would require the Department of Ecology, Department of Health, and Department Labor and Industries to perform a formal review of existing rules – using only existing funds – every five years. The objective of the review is to reduce the regulatory burden on businesses without compromising public health and safety by improving the process for licensing, permitting and inspection. The departments must also establish benchmarks to assess the progress of streamlining efforts, as well as establish a process to eliminate redundant, outdated or unnecessary. Would also require reports to the Legislature by January 2014. **Had a public hearing in the House Committee on Government Operations & Elections yesterday.**



SB 5680 – My “online licensing” bill. SB 5680 would add 13 state departments and agencies to the list of those required to provide some or all of their licenses online through the state's Business Licensing Service, assuming both the licensing agency and the department agree to it. It would also remove two agencies which no longer provide licenses, and require an annual report to the governor and Legislature. **Scheduled for passage by the House Committee on Technology & Economic Development on Tuesday.**

SB 5718 – My “one-stop portal” bill. This measure would require the Legislature to monitor the progress of an action plan for creating a single online location through which businesses could conduct all their interactions with state government. The state Office of the Chief Information Officer – in collaboration with the Department of Revenue, the Department of Labor and Industries, the Secretary of State, the Employment Security Department, the Department of Commerce, and the Office of Regulatory Assistance – would establish performance benchmarks for the action plan by November 2013. The OCIO would also be required to submit annual

progress reports beginning January 1, 2014, but the act would expire when initial implementation is reached or if funding is not provided after the first progress report. **Scheduled for passage by the House Committee on Technology & Economic Development on Tuesday.**

SB 5701 – My bill would add the Professional Educator Standards Board to the list of organizations that may file complaints with the state Office of the Superintendent of Public Instruction. Right now, the board is responsible for certifying teachers in our state but it lacks the ability to refer to OSPI those teachers it believes are submitting fraudulent test results. As a member of the Senate Early Learning and K-12 Education Committee, I want to authorize the board to initiate investigations of teachers it has reason to believe are essentially trying to cheat the system, but I also want to provide the option for any certificated school employee whose certificate is in question to appeal any allegation. **Passed by the House Committee on Education on Tuesday.**

In closing...

A big priority for me is getting your feedback as often as possible. It is one of the best tools I have to help me better represent you. I value your opinion highly and - as always - if you would like to contact me you can write, phone, e-mail, or stop by. It remains my honor to serve you in the Washington State Senate.

Sincerely,



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8th District

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