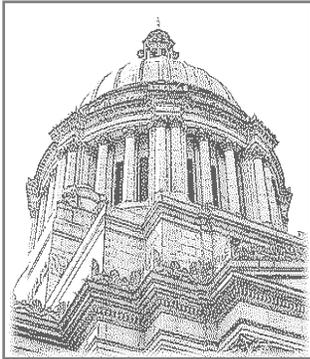


STATE OF WASHINGTON

**CITIZEN COMMISSION FOR
PERFORMANCE
MEASUREMENT OF TAX
PREFERENCES**



COMMISSION MEMBERS

William A. Longbrake, *Chair*
Board of Directors, BECU

Stephen B. Miller, *Vice Chair*
Washington Education Association

Ronald Bueing
Pivotal Law Group, PLLC

Dr. Grant Forsyth
Avista Corp.

Lily Kahng
Seattle University Law School

NON-VOTING MEMBERS

Kathy Haigh, State Representative
Chair, Joint Legislative Audit and Review
Committee

Troy Kelley
State Auditor

*Citizen Commission for
Performance Measurement of Tax Preferences*

1300 Quince St. SE
Olympia, WA 98504-0910
(360) 786-5171
(360) 786-5180 Fax

www.citizentaxpref.wa.gov

AGENDA

Friday, October 18, 2013

1:00 p.m.

John A. Cherberg Building

Senate Hearing Room 3

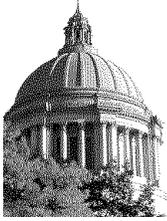
Olympia, WA

1. Action Item: Approval of September 20, 2013, Commission Meeting Minutes
2. Action Item: Adoption of 2014 Commission Meeting Schedule
3. Action Item: Discussion/Adoption of Commission Comments on 2013 Tax Preference Reviews

General public comment period immediately following regular Commission business

Please Note: *The Commission reserves the right to move agenda items as needed.*

Citizen Commission for Performance Measurement of Tax Preferences



E-mail: JLARC@leg.wa.gov
www.citizentaxpref.wa.gov

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Board of Directors, BECU
Stephen B. Miller, Vice Chair
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Representative Kathy Haigh
Chair, Joint Legislative Audit & Review Committee
Troy Kelley
State Auditor

Citizen Commission for Performance Measurement of Tax Preferences Meeting Minutes

September 20, 2013
John A. Cherberg Building
Senate Hearing Room 3
Olympia, WA

Members Present:

William A. Longbrake	Grant Forsyth
Lily Kahng	Ron Bueing
State Auditor Troy Kelley	Rep. Kathy Haigh

Members Absent:

Stephen Miller

Staff:

Keenan Konopaski	John Woolley
Dana Lynn	Peter Heineccius
Suzanne Kelly	Matt Stoutenburg
Sarah Unbehau	Stacia Hollar, AG Staff

NOTE: TVW RECORDING UNAVAILABLE FOR FIRST PORTION OF MEETING. THE ENTIRE MEETING IS AVAILABLE ON AUDIO RECORDING ON THE TAX COMMISSION PAGE OF THE JLARC WEBSITE.

[AUDIO OF THE FULL MEETING IS AVAILABLE HERE.](#)

CALL TO ORDER AND WELCOME

Commission Member Lily Kahng welcomed those in attendance and called the meeting to order at 1:18 p.m. She announced that Commission Chair Bill Longbrake had been delayed.

Ms. Kahng welcomed Representative Kathy Haigh, JLARC Chair, as a new member of the commission.

APPROVAL OF MEETING MINUTES

MOTION: A motion was made to approve the August 16, 2013, meeting minutes.

The motion was seconded and carried.

(See audio recording at [0:01:50](#))

PUBLIC COMMENT ON 2013 TAX PREFERENCE PERFORMANCE REVIEWS

Adrian Durbin, representing the Washington Wholesale Druggists Association, testified regarding the tax preference for Prescription Drug Resellers (B&O Tax). (See audio recording at [0:03:47](#))

Andy Nicholas, representing the Washington State Budget and Policy Center, testified regarding the use of preferential B&O rates. (See audio recording at [0:14:40](#); TVW recording started while Mr. Nicholas was responding to questions by the Commissioners following his testimony)

Mark Johnson, representing the Washington Retail Association, testified regarding the tax preference for Retailing (B&O Tax). (See TVW recording [0:04:11](#))

Sean Pickard and Denny Eliason, representing the Washington Dental Service, and Dianne Riter, representing the WDS Foundation, testified regarding the tax preference for Dentistry Prepayments (Insurance Premiums Tax). (See TVW recording at [0:9:30](#))

Ryan Spiller, representing the Alliance of Automobile Manufacturers, testified regarding the tax preference for Alternative Fuel Vehicles (Sales and Use Tax), which was included in the 2013 Expedited Tax Preferences Report. (See TVW recording at [0:45:44](#))

Tom Davis testified regarding the tax preference for Forest Land Special Assessments (Property Tax), which was included in the 2013 Expedited Tax Preferences Report. (See TVW recording at [0:48:00](#))

John Ehrenreich, representing the Washington Forest Protection Association, testified regarding the tax preference for Forest Land Special Assessment (Property Tax), which was included in the 2013 Expedited Tax Preferences Report. (See TVW recording at [0:55:20](#))

Donna Patrick, representing the Washington State Developmental Disabilities Council, testified regarding the impact of tax preferences in general on providing public services. (See TVW recording at [1:14:40](#))

Nick Federicci, representing the Our Economic Future Coalition, testified regarding the impact of tax preferences in general on providing public services. (See TVW recording at [1:21:59](#))

APPROVAL OF 10-YEAR REVIEW SCHEDULE

John Woolley, Deputy Legislative Auditor, and Keenan Konopaski, Legislative Auditor, summarized proposed changes to the 10-Year Review Schedule resulting from the 2013 Legislative sessions and JLARC staff assessment of workload. The Commission discussed the proposed list of tax preferences for JLARC staff review in 2014. (See TVW recording at [1:36:19](#))

MOTION: A motion was made to approve the 10-Year Tax Preference Performance Review Schedule.

The motion was seconded and carried.

(See TVW recording at [1:53:05](#))

PROCESS FOR ADOPTING COMMISSION COMMENTS ON THE 2013 TAX PREFERENCE PERFORMANCE REVIEWS

Chair Longbrake reviewed the process by which Commissioners may provide their individual comments on the 2013 Tax Preference Performance Reviews prior to the Commission meeting on October 18, 2013. The Commission discussed the format and timeline for providing comments and the policy on minority reports. (See TVW recording at [1:53:24](#))

Chair Longbrake adjourned the meeting at 3:47 p.m.

Citizen Commission for Performance Measurement of Tax Preferences

2014 Proposed Meeting Schedule

Date/Time/Location	Likely Agenda Areas
Friday, May 16 1:00 – 5:00 p.m. SHR3, Olympia	2014 Legislative Session Update <u>2014 Reviews</u> Notification of Any Adjustments to 2014 Schedule Discussion of 2014 Expedited Report <u>2015 Reviews</u> Discussion of 2015 preference review schedule Preliminary approval
Friday, August 15 1:00 – 5:00 p.m. SHR3, Olympia	JLARC Presentation of 2014 Reviews Election of Officers
Friday, September 19 1:00 – 5:00 p.m. SHR3, Olympia	Public Hearing on 2014 Reviews
Friday, October 17 1:00 – 5:00 p.m. SHR3, Olympia	Commission Comments on 2014 Reviews 2015 Commission Meeting Schedule