



# Citizen Commission for Performance Measurement of Tax Preferences

William A. Longbrake, *Chair*  
Vice Chair, Washington Mutual, Inc.

Charles Hasse  
President, Washington Education Association

Brian Sonntag  
State Auditor

Lily Kahng, *Vice Chair*  
Associate Professor of Law  
Seattle University

Senator Phil Rockefeller  
Chair, Joint Legislative Audit  
and Review Committee

Carolyn Logue  
Owner,  
CA Logue Public Affairs

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## Citizen Commission for Performance Measurement of Tax Preferences Meeting Minutes

September 7, 2007

Hearing Room C, John L. O'Brien Bldg.  
Olympia, WA

### Members Present:

Paul Guppy  
Lily Kahng  
Carolyn Logue  
William A. Longbrake  
Sen. Phil Rockefeller

### Absent:

Brian Sonntag

### Staff:

Ruta Fanning  
Gary Benson  
Keenan Konopaski  
Lizbeth Martin-Mahar  
Lisa Hennessy

### WELCOME / INTRODUCTIONS

Commission Chair Bill Longbrake welcomed those in attendance and called the meeting to order at 1:10 p.m. Mr. Longbrake introduced two new Commission members: Paul Guppy, appointed by the Senate Republican Caucus; and Senator Phil Rockefeller, the newly elected chair of the Joint Legislative Audit and Review Committee.

On behalf of the Commission, Mr. Longbrake thanked outgoing members Rep. Ross Hunter, Dick Davis, and Charles Hasse, for their service during the Commission's initiation.

### PUBLIC COMMENT

Chair Longbrake opened the meeting for public comment on the 2007 Tax Preference Reviews. The Commission heard comments both in support and in opposition of JLARC recommendations on nonprofit hospitals and nonprofit nursing homes. Public comment supported JLARC recommendations on the refund of fuel tax for nonhighway use.

The issues discussed by those testifying have been summarized and are attached to these minutes. The following provided testimony (*\* indicates submission of written testimony in addition to public comment*):

#### **Nonprofit Hospitals**

\*Len McComb, Washington State Hospital Association  
Will Callicoat, Washington State Hospital Association  
Jeff Sconyers, Children's Hospital  
Laure Nichols, Franciscan Health System  
Dan Dixon, Swedish Hospital  
Tom Kruse, Harrison Medical Center  
\*Jack Hanson, Service Employees International Union (SEIU) Healthcare  
Amalia Encarnacion, Washington Community Action Network (CAN)

#### **Nonprofit Nursing Homes**

Paul Opgrande, Tacoma Lutheran Retirement Community, Washington Association of Housing and Services for the Aging (WAHSA)  
Cal Groenenberg, Living Care Retirement Community  
Kevin Anderson, Wesley Homes  
\*Chuck Hawley, Providence Health Services  
Chris Walsh, Washington Health Care Association  
Gary Weeks, Washington Health Care Association  
\*Nora Kelley, Service Employees International Union (SEIU) Healthcare  
\*Deb Murphy, Washington Association of Housing and Services for the Aging (*provided written testimony only*)

#### **Refunded Fuel Tax for Nonhighway Use**

Terry Kohl, Backcountry Horsemen of Washington (BCHW), Washington State Snowmobile Association (WSSA)  
Wayne Mohler, WSSA  
Bob Brooke, BCHW

#### **APPROVAL OF MEETING MINUTES**

MOTION: A motion was made to approve the August 3, 2007, meeting minutes.  
The motion was seconded and carried unanimously.

#### **DRAFT PROPOSED SCOPE AND OBJECTIVES FOR 2008 TAX PREFERENCE REVIEWS**

Gary Benson presented draft Proposed Scope and Objectives for the 2008 Full and Expedited Tax Preference Reviews. Objectives for Full reviews remain much the same as for the 2007 reviews with the exception that if, after preliminary review, the Commission determines a tax preference does not require a full review, the preference can be moved to the Expedited review list. Objectives for Expedited reviews are significantly less arduous than for the 2007 reviews. Mr. Benson also proposed a standard for determining a tax preference to be "de minimus," in which case it would not be reviewed.

#### **Commission Discussion**

The Commission discussed changes from the 2007 reviews and appropriate standards for Expedited reviews. The Commission also discussed, and agreed not to include, a standard for

determining a tax preference de minimus in the Proposed Scope and Objectives for Expedited reviews.

### **2008 TAX PREFERENCE REVIEW SCHEDULE**

Gary Benson presented a Draft 2008 10-Year Tax Preference Review Schedule. Mr. Benson also presented staff-recommended changes to the Draft Review Schedule.

### **Commission Discussion**

The Commission discussed changes to the Draft Review Schedule, specifically the recommendation to move Household Goods to the list of preferences not subject to review. The Commission also discussed defining a “critical part of the tax structure.” Ruta Fanning explained that in EHB 1069, the Legislature did not define what is critical to the tax structure, but instead allows the Commission to make that definition.

MOTION: A motion was made to approve the Draft 2008 10-Year Tax Preference Review Schedule as proposed, including staff-recommended changes.  
The motion was seconded and carried unanimously.

The meeting was adjourned at 4:20 p.m.