

2003 Legislative Report Card

Compiled by the Association of Washington Business Staff

Throughout 2003's legislative session, AWB closely tracked bills that would impact Washington's business community. With the session over, it is now time for our annual assessment of our legislators and governor.

The Legislative Voting Record is compiled from AWB's Government Affairs Council's list of the most important bills to our state's businesses. The record reveals legislators' level of support for AWB's positions on key legislation and amendments.

AWB has opposed some bills, but supported amendments to

make these bills less onerous and closer to AWB's positions. Such amendments are noted.

AWB's legislative objectives determine whether we will support or oppose a bill. Our legislative objectives are drafted and approved by AWB's members prior to the start of a legislative session.

For more information on the bills described in the 2003 Legislative Report Card, please visit AWB's 2003 Legislative Session Review at www.awb.org.

Gov. Gary Locke's Voting Record Percentage: 90%

Bill	Description	AWB Position	*Governor's Action
HB 1338	Municipal Water Rights	Support	Signed
HB 1530	Change of Venue	Support	Vetoed
HB 1531	Governor's Signature	Support	Vetoed
HB 1734	State Building Code	Support	Signed
HB 1933	Shoreline & Growth Mgmt—Everett Fix	Support	Signed
HB 1977	Use Tax Fix	Support	Signed
HB 2030	Municipal Tax Fairness	Support	Signed
HB 2088	Storm water Rates & Charges	Support	Signed
HB 2231	Trans Financing Alternatives	Support	Signed/ Partial Veto
SB 5028	Water Pollution	Support	Signed
SB 5245	Legislators/Trans Planning	Support	Signed
SB 5248	Transportation Efficiency	Support	Signed
SB 5256	Cost Benefit Assessment	Support	Signed
SB 5271	Hearing Loss	Support	Signed
SB 5279	Trans Permit Efficiency Comm.	Support	Signed
SB 5404	Operating Budget 2003-05	Support	Signed/ Partial Veto
SB 5659	Local Government Tax Authority	Support	Signed/ Partial Veto
SB 5748	Transportation Performance Audits	Support	Signed
SB 5783	Streamlined Sales & Use Tax Agreement	Support	Signed
SB 5787	Water Quality Leaching Test (Fill Dirt)	Support	Signed
SB 6097	Unemployment Insurance	Support	Signed/ Partial Veto

* Governor's actions in bold signify actions against AWB's position.

Bill Descriptions

TAX & FISCAL POLICY

SHB 1879: Tribal Taxing Authority—Final Passage

By a vote of 80-18, the House passed a measure to establish a pilot project to allow the Department of Revenue to enter into an interlocal cooperation agreement with any Indian tribe to administer and collect sales and use tax as if the Indian tribe were a city or town. The tribal sales and use could be levied only on activities occurring on federal Indian trust or restricted fee lands and the definitions must be the same as provided by the state for cities and towns. The Senate did not consider this bill. An “N” vote reflects the AWB position.

HB 1977: Use Tax Fix—Final Passage

The House voted 86-10 and the Senate voted 49-0 to enact a clarification bill that corrected a problem created by the passage of SB 6835 in 2002. The drafting of the 2002 legislation inadvertently created a use tax because SB 6835 did not include any use tax exemptions to correspond to numerous sales tax exemptions. For example, a use tax exemption was not included in SB 6835 for the repair of manufacturing machinery and equipment. While the repair of manufacturing machinery and equipment is exempt from sales tax, SB 6835 made this repair service subject to use tax. A “Y” vote reflects the AWB position.

EHB 2030: Municipal Tax Fairness—Final Passage

The House voted 73-25 and the Senate voted 32-17 to enact legislation that requires cities with a business and occupation (B&O) tax to adopt a model ordinance by 2005 that makes B&O definitions more uniform, requires interest and penalties to be the same as the state, provides that statutes of limitation and due dates be identical to the state's, provides a minimum small business threshold of \$20,000 and implements a standard system of credits to eliminate double taxation. In addition, by 2008, cities with a B&O tax are required to follow a statutorily defined method for apportioning and allocating business revenues so as to prohibit a city from taxing revenues that were not earned in their jurisdiction. A “Y” vote reflects the AWB position.

EHB 2030: Municipal Tax Fairness—Doumit Amendment

By a vote of 23-26, the Senate rejected an amendment by Sen. Mark Doumit (D-Cathlamet) that would have lowered the minimum small business threshold required in the underlying bill from \$20,000 to \$2,000 in small cities. In essence, this amendment would have caused small businesses with de minimus activities in a city to pay that city B&O taxes. An “N” vote reflects the AWB position.

EHB 2030: Municipal Tax Fairness—Reardon Amendment

By a vote of 23-26, the Senate rejected an amendment by Sen. Aaron Reardon (D-Everett) that would have allowed cities that were negatively impacted by the apportionment provisions of the underlying bill to increase their B&O tax rates above the current limitations in order to compensate for lost revenue. An “N” vote reflects the AWB position.

SHB 2267: Increasing Revenue—Insurance Guaranty Credits: Benson Amendment

By a vote of 47-51, the House rejected an amendment by Rep. Brad Benson (R-Spokane) that would have removed a provision from the underlying tax increase bill that eliminated the tax deduction for insurance guaranty funds. The elimination of this tax deduction for payments that insurance companies pay to guaranty coverage for defunct insurers would have caused insurance rates to increase. A “Y” vote reflects the AWB position.

SHB 2267: Increasing Revenue—Unclaimed Property: Benson Amendment

By a vote of 48-50, the House rejected an amendment by Rep. Brad Benson (R-Spokane) that would have removed a provision from the underlying tax increase bill that shortened the holding period for unclaimed property from five years to three years. The shortening of this period essentially takes income in the form of unclaimed gift certificates, stored value cards and other similar unclaimed property from business owners two years earlier than previously required. A “Y” vote reflects the AWB position.

SHB 2267: Increasing Revenue—Candy and Gum Tax: Alexander Amendment

By a vote of 45-53, the House rejected an amendment by Rep. Gary Alexander (R-Olympia) that would have removed a provision from the underlying tax increase bill that eliminated the sales and use tax exemption for candy and gum as a way to pay for additional basic health plan enrollments. The elimination of this tax exemption for candy and gum would have caused the price of all candy and gum to rise from 7.8 percent to 8.9 percent depending on the place of purchase. A “Y” vote reflects the AWB position.

SHB 2267: Increasing Revenue—Liquor Tax: Armstrong Amendment

By a vote of 46-52, the House rejected an amendment by Rep. Mike Armstrong (R-East Wenatchee) that would have removed a provision from the underlying tax increase bill that imposed an additional \$0.46 per liter tax spirits, an additional sales tax rate of 3.9 percent on spirits sold to consumers in the original package, and an additional sales tax rate of 2.6 percent is imposed on spirits sold to establishments that sell the spirits on their premises. A “Y” vote reflects the AWB position.

SHB 2267: Increasing Revenue—Final Passage

By a vote of 50-48, the House voted to increase revenues for the student achievement fund by eliminating the B&O tax deduction for insurance guaranty funds, additional taxes on liquor, shortening the holding period for unclaimed property and increasing the penalties on underpayments of state excise taxes. In addition, the bill would have increase funding for the basic health plan by an additional tax on cigarettes of 50 cents per pack and repealing the sales and use tax exemption for candy and gum. All of these efforts to raise taxes were meant to free up an equivalent amount of money in the general fund to spend at higher levels. The Senate did not consider this bill. An “N” vote reflects the AWB position.

SHB 1879 - Final Passage	HB 1977 - Final Passage	EHB 2030 - Final Passage	SHB 2267 - Benson Amendment	SHB 2267 - Benson Amendment	SHB 2267 - Alexander Amend.	SHB 2267 - Armstrong Amend.	SHB 2267 - Final Passage	ESSB 5404 - Final Passage	2ESSB 5659 - Final Passage	SB 5783 - Final Passage	2E2SSB 1338 - Final Passage	HB 1376 - 3rd Reading	HB 1734 - Final Passage	ESHB 1933 - Final Passage	ESHB 2088 - Final Passage	ESSB 5028 - Final Passage	SSB 5787 - Final Passage	SB 5161 - Final Passage	HB 2018 - Final Passage	HB 2019 - Final Passage	SB 5904 - Pflug Amendment	HB 1530 - Final Passage	HB 1531 - Final Passage
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Issue Area of Bill:

AWB Position:

		Tax & Fiscal Policy										Environmental					Ergo	Health Care			Regulatory				
		N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y
Representative McMorris	97%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Ericksen	97%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	E	Y	Y	
Representative Anderson	94%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Armstrong	94%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Kristiansen	94%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Newhouse	94%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Pearson	94%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Boldt	94%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	E	Y	Y	N	N	Y	Y	Y	
Representative Pflug	94%	Y	E	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	E	
Representative Sehlin	93%	N	Y	Y	Y	Y	Y	Y	N	Y	E	Y	Y	N	Y	Y	E	Y	Y	N	N	Y	Y	Y	
Representative Bailey	91%	N	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Buck	91%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Chandler	91%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Shabro	91%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Alexander	91%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Skinner	91%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	E	Y	Y	N	N	Y	Y	Y	
Representative Sump	91%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	E	Y	N	N	Y	Y	Y	
Representative Cox	91%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	E	Y	Y	N	N	Y	Y	Y	
Representative Delvin	90%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	E	Y	Y	N	N	Y	Y	Y	
Representative Cairnes	89%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Clements	89%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Hinkle	89%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	N	Y	Y	N	N	Y	Y	Y	
Representative McMahan	89%	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Orcutt	89%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Tom	89%	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Woods	89%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Mastin	88%	Y	Y	Y	Y	Y	Y	Y	N	Y	E	N	Y	N	Y	Y	E	Y	Y	N	N	Y	Y	Y	
Representative Condotta	88%	N	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative DeBolt	88%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	E	Y	Y	N	N	Y	Y	Y	
Representative Mielke	86%	N	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	N	Y	Y	E	E	N	N	Y	Y	Y	Y	
Representative Carrell	86%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	
Representative Holmquist	86%	N	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	N	Y	Y	N	Y	Y	N	N	Y	Y	Y	
Representative Ahern	85%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	N	Y	Y	E	Y	N	N	Y	Y	Y	Y	

(Continued on Page 24)

ESSB 5404: Operating Budget 2003-2005—Sehlin Striker

By a vote of 46-52, the House rejected a striking amendment by Rep. Barry Sehlin (R-Oak Harbor) that would have replaced the tax-reliant budget produced by House Democrats with a budget that lived within the revenues projected for the 2003-2005 biennium. The striking amendment followed the lead of Gov. Locke and Senate Republicans by instituting prioritized funding levels for state government operations without the need for tax increases. A “Y” vote reflects the AWB position.

ESSB 5404: Operating Budget 2003-2005—Senate Final Passage

By a vote of 28-20, the Senate passed a measure to establish a 2003-2005 general fund operating budget that lived within the revenues projected for the 2003-2005 biennium. Sponsored by Senate Ways and Means Chair, Sen. Dino Rossi (R-Sammamish), this budget improved upon the Priorities of Government process begun by Gov. Locke and instituted prioritized funding levels for state government operations without the need for tax increases. While this particular budget was

not the final, adopted budget, it was used as the framework for the compromise budget that did not rely on tax increases. A “Y” vote reflects the AWB position.

2ESSB 5659: Local Government Tax Authority—Final Passage as amended by the House

The House voted 52-40 and the Senate voted 32-10 to enact legislation that authorized additional funding options for local governments. Specifically, the legislation allows any county to impose additional sales and use taxes of up to 0.3 percent. However,

SHB 1879 -Final Passage	HB 1977 -Final Passage	EHB 2030 -Final Passage	SHB 2267 -Benson Amendment	SHB 2267 -Benson Amendment	SHB 2267 -Alexander Amend.	SHB 2267 -Armstrong Amend.	SHB 2267 -Final Passage	ESSB 5404 -Final Passage	2ESSB 5659 -Final Passage	SB 5783 -Final Passage	2E2SSB 1338 -Final Passage	HB 1376 -3rd Reading	HB 1734 -Final Passage	ESHB 1933 -Final Passage	ESHB 2088 -Final Passage	ESSB 5028 -Final Passage	SSB 5787 -Final Passage	SB 5161 -Final Passage	HB 2018 -Final Passage	HB 2019 -Final Passage	SB 5904 -Pflug Amendment	HB 1530 -Final Passage	HB 1531 -Final Passage
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Issue Area of Bill:

		Tax & Fiscal Policy											Environmental					Ergo	Health Care		Regulatory				
AWB Position:		N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y
Representative Benson	85%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	N	Y	Y	Y	E	Y	N	N	Y	Y	Y	
Representative Schindler	85%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	N	Y	Y	Y	E	Y	N	N	Y	Y	Y	
Representative Talcott	85%	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Schoesler	85%	N	Y	Y	Y	Y	Y	Y	N	Y	E	Y	Y	Y	Y	Y	E	E	Y	N	N	Y	Y	Y	
Representative McDonald	84%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	E	Y	Y	Y	Y	E	Y	Y	N	N	E	Y	Y	
Representative Crouse	83%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	N	Y	Y	Y	E	Y	N	N	Y	Y	Y	
Representative Bush	83%	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	N	Y	Y	Y	Y	Y	N	N	N	Y	Y	
Representative Jarrett	83%	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	
Representative Nixon	83%	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	N	N	N	Y	N	N	Y	Y	Y	
Representative Priest	83%	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	N	Y	Y	Y	
Representative Roach	77%	Y	Y	Y	Y	Y	Y	Y	N	Y	E	N	E	Y	Y	Y	E	Y	Y	N	N	Y	Y	Y	
Representative Hankins	74%	Y	Y	Y	Y	N	N	N	Y	N	N	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	Y	
Representative Morris	69%	Y	Y	Y	N	N	N	N	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	
Representative Quall	61%	Y	Y	Y	N	N	N	N	Y	N	N	Y	Y	Y	Y	Y	Y	E	Y	Y	N	Y	Y	Y	
Representative Campbell	59%	Y	Y	Y	Y	Y	N	N	Y	Y	Y	N	Y	E	N	Y	Y	Y	Y	Y	Y	N	Y	Y	
Representative Blake	57%	Y	Y	Y	N	Y	Y	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	
Representative Linville	57%	Y	Y	Y	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	
Representative Berkey	54%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	
Representative Clibborn	54%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	
Representative Grant	54%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	
Representative Hatfield	54%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	
Representative Kessler	54%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	
Representative Eickmeyer	53%	Y	Y	Y	N	N	N	Y	Y	N	E	Y	Y	Y	Y	Y	E	Y	N	Y	Y	N	Y	Y	
Representative Gombosky	52%	Y	Y	Y	N	N	N	N	Y	N	E	Y	Y	Y	Y	Y	E	Y	N	Y	Y	N	Y	Y	
Representative Chopp	51%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	Y	
Representative Hunter	51%	Y	Y	N	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	
Representative O'Brien	51%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	N	N	N	N	Y	Y	N	Y	Y	
Representative Ruderman	51%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	N	Y	N	N	Y	Y	N	Y	Y	
Representative Fromhold	49%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	N	Y	N	N	Y	Y	N	Y	Y	
Representative Lovick	49%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	
Representative Rockefeller	49%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	N	N	N	Y	Y	N	N	Y	
Representative Sullivan	49%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	N	Y	N	N	Y	Y	N	Y	Y	
Representative Moeller	48%	Y	Y	Y	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	N	N	N	Y	Y	N	Y	Y	

(Continued on Page 26)

us to the common law abandonment principle for the loss of a water right. The current system is a disincentive to water users to conserve their water, fearing instead that by being good steward of the resource they are in jeopardy of losing the right to the quantity specified in the permit. A “Y” vote reflects AWB’s position on this bill. The vote in the Senate was 33-16. The House failed to take up this measure. We consider this a missed opportunity by the House.

ESSB 5028: Clarifying the State’s

Authority to Regulate Water Pollution
A recent proceeding against the Methow Valley Irrigation District raised the issue of whether DOE may use water quality enforcement authority against a water right holder. This bill clarifies that DOE may not use state water quality authority to abrogate, supersede, impair, or conditional an existing water right permit or certificate. DOE is encouraged to use voluntary means to achieve water quality standards. Additional enforcement authority is granted DOE to impose higher fines ranging from \$100 to \$5,000 per day

for violations of the water code. A “Y” reflects AWB’s position on this bill. The Senate vote was 26-22 and the House vote was 61-31.

ESSB 5375: Regulatory Reform of the Hydraulic Project Approval Program
This bill represented a substantial improvement on WDFW’s hydraulic Project Approval Program. The bill would have required WDFW to establish some general permits for a variety of common or routine activities. Additionally, it would have created a five-year maintenance

	ESB 5256-Final Passage		SB 5728-Kastama Amendment				2ESB 6097-Brown Amendment				2ESB 6097-Brown Amendment				2ESB 6097-Keiser Striker				2ESB 6097-Final Passage				SB 5271-Final Passage		SB 5378-Final Passage		SB 5462-Final Passage		ESSB 5697-Final Passage		HB 2231-Final Passage		SB 5245-Final Passage		SB 5248-Final Passage		SB 5279-Final Passage		SB 5748-Final Passage		5012-Final Passage	
	Tort Ref.		Unemployment Insur.				Work. Comp.				Emp. Law				Transportation				Edu.																							
Y	N	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y				
Y	N	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y				
Y	N	Y	E	E	E	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			
Y	N	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Y	N	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Y	N	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Y	N	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Y	N	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Y	N	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Y	N	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Y	N	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
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Keiser (D-SeaTac) that would have replaced the compromise UI deal reached between the business community, the aerospace machinist union, the engineers union and the governor's office with the UI reform plan generated by the State Labor Council. The labor plan would not have structurally changed the UI system or the amount of benefits that are paid out. It would have significantly raised taxes on those employers with the lowest experience rates and those employers with the highest experience rates in order to give tax reductions to those employers in the middle of the tax array. The labor plan maintained an unfair and inequitable tax system in order to protect the one of the most generous benefits packages in the United States. An "N" vote reflects the AWB position.

2ESB 6097: Unemployment Insurance Reform—Final Passage
 The Senate voted 31-9 and, after receding from its amendment, the House voted 57-33 to enact the most sweeping Unemployment Insurance system reforms in over 20 years. The legislation significantly reduced the benefit costs of the UI system by altering the way weekly benefit amounts are calculated, strengthening the ability of employers to protect themselves from having to pay UI benefits for persons terminated for misconduct or gross misconduct, reducing the maximum duration of UI benefits from 30 weeks to 26 weeks when our unemployment rate drops below 6.8 percent, and freezing the maximum weekly benefit amount at \$496 until that amount reaches 60 percent of the state's average weekly wage (expected to be 5-8 years). In addition, the legislation made the tax structure more fair and equitable by creating a more experience rated system whereby an employer pays taxes that more accurately reflect their costs to the system plus their proportional share of the socialized costs of the UI system. A "Y" vote reflects the AWB position.

2ESB 6097: Unemployment Insurance Reform—Kessler Amendment—Weekly Benefit Amount
 By a vote of 48-42, the House adopted an amendment by Rep. Lynn Kessler (D-Hoquiam) that removed the provisions in the compromise UI deal reached between the business community, the aerospace machinist union, the engineers union and the governor's office that altered the calculation of the weekly benefit amount for unemployment insurance from the average wages of the two highest quarters to the average wages of the three highest quarters beginning in 2003 and the average wages of the highest four quarters beginning in 2004. In place of these provisions, the amendment proposed a reduction in the multiplier used in the calculation of the weekly benefit amount from 0.40 percent to 0.39 percent of the average wages in the two highest quarters. An "N" vote reflects the AWB position.

2ESB 6097: Unemployment Insurance Reform—Final Passage as Amended by the House
 By a vote of 52-38, the House passed an altered version of the compromise UI deal reached between the business community, the aerospace machinist union, the engineers union and the governor's office to significantly overhaul the state's unemployment insurance system. While this proposal contained a large number of the reforms contained in the compromise agreement, the adoption of the amendment by Rep. Kessler (D-Hoquiam) threatened



the underlying bill's chances of surviving the legislative process. The Senate insisted that the House recede from its amendment in order for the underlying reforms to pass. An "N" vote reflects the AWB position.

2ESB 6097: Unemployment Insurance Reform—Recede from the House Position
By a vote of 50-41, the House receded from the amendment by Rep. Kessler (D-Hoquiam) that threatened to sink the compromise UI deal reached between the business community, the aerospace machinist union, the engineers union and the governor's office. By receding from the amendment, the underlying reforms to the state's UI system were allowed to move forward for final passage. This vote was pivotal as to whether the UI reforms would be enacted this year. A "Y" vote reflects the AWB position.

WORKERS COMPENSATION

SB 5378: Wage Simplification
The Senate voted 25-24 to simply our state workers' compensation system that is more complex than other states. The complexity causes unnecessary delays, increases litigation, adds unwarranted administrative costs, and frustrates employers and employees alike. State industrial insurance rates have already increased 29 percent in 2003 and are estimated to increase again in 2004. SB 5378 provides a more than \$124 million savings to the State Fund workers' compensation system by addressing some very costly recent court decisions and simplifying the administration of processing claims, which allow injured employees to receive their benefits sooner. Regardless of the workers compensation premium rate increase that is expected in 2004, legislative leadership in the House majority did not act on this important measure. A "Y" vote reflects the AWB position.

SB 5271: Hearing Loss Reform
By a vote of 28-21, the Senate passed the Department of Labor and Industries request legislation on hearing loss reform. SB 5271 provides greater fairness to the processing of hearing loss claims and also provides a more than \$200 million one-time reserve savings with an ongoing \$14 million savings to the State Fund. This measure returns some balance to the system by continuing to provide hearing aids to approved claims, but limiting cash disability payments to workers who file within two years after leaving the employer. A "Y" vote reflects the AWB position in the Senate. The House of Representatives acted on the bill after the Senate passed it again in the special session. Before voting on final passage Rep. Steve Conway (D-Tacoma) offered an amendment on behalf of the trial lawyers and organized labor that attempted to change the bill to a 25 percent reduction in hearing loss benefits rather than a two-year statute of limitations. This amendment was defeated by a vote of 39-51. An "N" vote reflects AWB's position on this amendment, which was simply a cut in benefits rather than clear policy on the timeliness of filing a claim. After the defeat of the amendment the House approved final passage by a vote of 69-21 and Gov. Locke signed the bill into law.

EMPLOYMENT LAW

SB 5462: Wage and Hour Laws
This bill would allow employers to rely on federal labor standards when state law is silent. SB 5462 would result in greater certainty for employers in complying with wage and hour laws and would reduce litigation in our state. SB 5462 passed the Senate by a vote of 25-24 only to die in the House Commerce and Labor Committee. A "Y" vote reflects the AWB position.

ESSB 5697: Minimum Wage
ESSB 5697 would have tied any indexing of the state's minimum wage to the state's unemployment rate. Basically, months when Washington's unemployment rate exceeds the nation's unemployment rate, those months would not be counted when calculating any yearly increase in Washington's minimum wage. A "Y" reflects AWB's position. The bill passed the Senate 25-24, and died in the House.

TRANSPORTATION

HB 2231: Transportation Funding
This legislation authorizes transportation financing alternatives. Specifically, the bill 1) Increases the motor vehicle and special fuel tax by three cents; 2) Increases gross weight fees 15 percent for trucks over 10,000 pounds; 3) Implements a vehicle transfer tax of six tenths of 1 percent; and 4) Implements a clean air fee of \$2 on vehicle registration renewals. A "Y" reflects AWB's position. The bill passed the House 60-38 and in the Senate the vote was 38-11, and partially vetoed by Gov. Locke.

SB 5245: Transportation Planning
This bill stipulates that any member of the House of Representatives or the Senate whose districts are wholly or partly within the boundaries of the regional transportation planning organization (RTPO) are considered ex-officio, nonvoting board members of the RTPO. Currently, an RTPO policy board is required to include members from cities, counties, port districts, transit districts, major employers and the Department of Transportation. A "Y" reflects AWB's position. The bill passed the House 89-3 and in the Senate the vote was 44-2, and signed into law by Gov. Locke.

SB 5248: Transportation Workforce Efficiencies
This bill establishes provisions aimed at increasing efficiencies for highway project delivery, apprenticeship training and prevailing wage administration, and local entity transportation planning and reporting. More specifically, SB 5248 allows for contracting out to private companies, unless the contract would result in a state employee losing his or her current position. This legislation also addresses Washington's prevailing wage laws and stipulates that the Department of Labor and Industries, in cooperation with the Department of Transportation, shall conduct an assessment of the current practices used in setting prevailing wages for those trades related to

transportation facilities and transportation project delivery. The bill also addresses road maintenance and preservation. A "Y" reflects AWB's position. The bill passed the House 53-43 and in the Senate the vote was 42-5, and signed into law by Gov. Locke.

SB 5279: Transportation Permit Efficiency and Accountability Committee

This bill extends the expiration date of the transportation permit efficiency and accountability committee. The committee was created with the goal of achieving transportation permit reform that expedites the delivery of transportation projects through a streamlined approach to environmental permit decision-making. Presently, the committee is providing some good results but more time is needed to complete the committee's work. The requirement for reauthorization ensures accountability to the public through the legislative process. A "Y" reflects AWB's position. The bill passed the House, 70-19, and in the Senate the vote was 46-0, and signed into law by Gov. Locke.

SB 5748: Performance Audits

SB 5748 implements performance audits of transportation-related agencies. These performance audits will help create greater accountability among the affected agencies. A "Y" reflects AWB's position. The bill passed the House 94-0 and in the Senate the vote was 49-0, and signed into law by Gov. Locke.

EDUCATION

5012: Charter Schools

Allows for the creation of 70 charter schools over the next six years. Under current law, public schools are publicly financed, governed by elected school boards, and subject to state laws and rules. Generally, charter schools are publicly financed but operate under a written contract with the charter sponsor, independently of most state laws and rules. The contract, or charter, details how the school will be organized and managed, what students will be taught and expected to achieve and how success will be measured. Charter schools can be closed for failing to satisfy these contract terms. Since 1991, 39 states have passed charter school legislation. A "Y" reflects AWB's position. The bill passed the Senate 27-19, but died in the House.

Missed Opportunities in 2003— Offer New Challenges in 2004

Going into the 2003 session, Washington's economy was mired in a deep recession, and AWB urged the Legislature to act decisively to improve our business climate. AWB successfully lobbied for many bills that will help make Washington a more competitive place to do business. That said, there were a number of bills introduced—but not passed—that would have honestly and aggressively improved our business climate. These "missed opportunities" generally passed the Senate with strong bi-partisan majorities, but were killed by leadership in the House.

Minimum Wage

Washington's minimum wage is the second highest in the nation, and we are one of only three states that have an automatic inflation adjustment mechanism. Not surprisingly, our state also has the second highest unemployment rate in the nation. SB 5697 sought to slow the rate of increase of the minimum wage, and would have allowed for increases only for those months that Washington's unemployment rate was lower than the national average. The bill was vehemently opposed by labor unions.

Tort Reform

Physicians are finding Washington an increasingly difficult state to practice medicine due to the constant threat of exorbitant medical malpractice damages. SB 5209 would have brought needed tort reform to our state by limiting non-economic health care damages to \$250,000. This bill was opposed by trial lawyers and their supporters in the Legislature.

Small Group Insurance

One of the difficulties of doing business in Washington is finding affordable health insurance if you're a small company. Given constant and dramatic increases in premium costs, many businesses are being forced to drop coverage for their employees. SB 5521 would have allowed health insurance companies to offer affordable limited health plans to small employers. These much needed "economy plans" would have served as a relief valve for employers being forced to drop coverage, or affordable entry level plans for employers seeking to begin to offer coverage for their employees.

Workers' Compensation

While AWB and employers made progress with SB 5271, which put limits on hearing loss claims, lawmakers failed to address key court decisions, which are major cost factors for employers. With workers' comp rates increasing an average 29 percent this year and poised to go up by another 20 to 30 percent next year, the Legislature must act on this issue in 2004.

AWB remains supportive of these legislative goals. We will push hard to re-introduce each of these bills in the 2004 legislative session. We are determined that 2003's missed opportunities will become 2004's legislative jobmakers.

- HB 1376 Water Storage Facilities. Passed the Senate, but House didn't concur
- SB 5012 Charter Schools. Passed the Senate, Died on the Floor
- SB 5025 Water Right Relinquishment . . . Passed the Senate, Died in Agriculture & Natural Resources
- SB 5053 Exceeding Federal Standards . . . Passed the Senate, Died in State Government
- SB 5161 Ergonomics Passed the Senate, Died in Commerce & Labor
- SB 5209 Medical Malpractice Passed the Senate, Died in Judiciary
- SB 5255 Rule-Making Authority Passed the Senate, Died in State Government
- SB 5375 Hydraulic Project Approval . . . Passed the Senate, Died in Rules
- SB 5378 Wage Simplification. Passed the Senate, Died in Commerce & Labor
- SB 5462 Wage & Hour Laws. Passed the Senate, Died in Commerce & Labor
- SB 5521 Small Group Insurance Passed the Senate, Died in Rules
- SB 5697 Minimum Wage. Passed the Senate, Died in Commerce & Labor
- SB 5728 Reference Checks Passed the Senate, Died in Judiciary