

STATE OF WASHINGTON

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Legislative Auditor

Ruta Fanning

Joint Legislative Audit & Review Committee
1300 Quince Street SE
PO Box 40910
Olympia, WA 98504-0910
(360) 786-5171
(360) 786-5180 Fax

Website: www.jlarc.leg.wa.gov

AGENDA

July 23, 2008
10:00 a.m. – 12:00 p.m.
John A. Cherberg Building
Senate Hearing Room 4
Olympia, Washington

► Brief descriptions of agenda items are on the reverse side.

10:00 – 10:05 *1. Approval of June 18, 2008 JLARC Meeting Minutes

10:05 – 11:30 2. [2008 Annual Report on Tax Preference Reviews, Full – Preliminary Report](#)

[2008 Annual Report on Tax Preference Reviews, Expedited – Preliminary Report](#)

11:30 – 11:45 3. [Review of Distributions from the City-County Assistance Account – Proposed Scope and Objectives](#)

11:45 – 12:00 4. Other

* Action Item

Please note: All listed times are estimates only and the Committee reserves the right to move agenda items as needed.

1. **Approval of Meeting Minutes:** Approval of minutes from the June 18, 2008 JLARC meetings.
2. **2008 Annual Reports on Tax Preference Reviews – Preliminary Reports:** In 2006, the Legislature enacted EHB 1069 which mandated audit reviews of Washington’s tax preferences. There are two reports detailing the review of 37 statutory references to tax preferences for 2008. There are eight property tax, 11 business and occupation tax, three fuel tax, five public utility tax, five retail sales tax, four use tax and one leasehold excise tax. The reviews are divided into expedited and full depending on the size of the tax preference. Full tax preference performance reviews answer ten primary questions outlined in law and the expedited tax preference performance reviews answer four questions. All tax preference performance reviews place an emphasis on whether the preference has met its public policy objectives.
3. **Review of Distributions from the City-County Assistance Account – Proposed Scope and Objectives:** In 2005, the Legislature passed ESSB 6050, which created the City-County Assistance Account and directed JLARC to review whether the distributions from the account “target the needs of cities and counties for which the repeal of the motor vehicle excise tax (MVET) had the greatest fiscal impact.” Using the 2006 distribution timeframe, the study will identify and review differences between the former MVET sales and use tax equalization funds and the City-County Assistance Account to cities and counties. Although the study will not evaluate the adequacy of current funding, the study will compare the differences in funding levels from both distributions. The study will also review the processes used by the Department of Revenue to distribute City-County Assistance Account funds.