

Spring 2010

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Standing Committees

- Labor, Commerce & Consumer Protection
(Ranking Minority Member)
- Early Learning & K-12 Education
- Environment, Water & Energy

**Additional Leadership
Assignments**

- State Building Codes Council
- Joint Legislative Audit & Review Committee
- Joint Task Force on Basic Education Finance
- K-20 Educational Network Board
- Joint Legislative Task Force on the Underground Economy in the Construction Industry
- Select Committee on Pension Policy
- Washington State Aerospace Task Force
- Energy Horizon Institute
- Co-chair, Governor's Prayer Breakfast (Not at Taxpayer Expense)

Please visit Sen. Holmquist's Web site for a full listing of her leadership assignments.

Web site:

<http://src.leg.wa.gov/holmquist/>

Email me at...

holmquist.janea@leg.wa.gov

to sign up for my electronic updates! Put **"update me"** in the subject line.



Senator Janéa Holmquist

13th Legislative District

2010 Session Review

Dear friends and neighbors,

I always consider it an honor and privilege to serve as your voice in the Washington State Senate, and the importance of that role never escapes me.

Majority Democrats came into the 2010 regular session determined to raise your taxes. They gutted your Taxpayer Protection Act; went after your rights to initiative and referendum; passed title-only "ghost bills" with little or no public comment or transparency; and failed to do their job and pass a balanced budget during the constitutionally allotted 60-day regular session.

Gov. Gregoire had to call the Legislature back into a costly and embarrassing special session, at a cost to taxpayers of nearly \$14,000 a day. That's why I refused to accept per diem (\$90 per day) for the duration of the special session to avoid needlessly burdening you and your family. Most of that time was wasted, and in the end, Democrats used those extra days to pass a budget that was balanced only through massive tax increases on you, your family and your employer.

While it may seem that doom and gloom fills the skies over Olympia these days, trust me, a new day is on the horizon.

There is hope. My energy is renewed by the spirit, determination and passion of citizens like you. Many of you took time out of your busy schedules to join thousands of other Washington taxpayers at tea party rallies. You've attended town hall meetings, spoken out on talk radio and written letters to editors. You've stood up for less government, less taxes, less spending and more freedom — and that gives me hope.

It also renews my determination to continue my fight for you, your wallet, and your rights. I will continue to work with both sides of the aisle to achieve solutions that will create jobs and get government spending back in line with revenue. That is the only way we can finally create a sustainable budget and prevent this type of scenario from happening again.

Thank you for allowing me the privilege of serving you. I look forward to being back in the district with all of you soon!

Sincerely,

A blue ink signature of Janéa Holmquist, written in a cursive style.

Senator Janéa Holmquist

2009 taxes and fees stopped by Taxpayer Protection Act (I-960)

- **HB 2377** - Sales tax increase **(STOPPED!!)**
- **SJR 8205/SB 5104** – State income tax **(STOPPED!!)**
- **SB 5393/HB 2131** – New tax on homeowner insurance policies **(STOPPED!!)**
- **SB 5432** – Raises I-747 limit on total property tax collections for some taxing districts **(STOPPED!!)**
- **SB 5518/SHB 1614** – New tax on petroleum products (OFM estimates 10-year cost to taxpayers of \$1.3 billion) **(STOPPED!!)**
- **SB 5626** – New tax on cigarettes **(STOPPED!!)**
- **SB 5607** – Hike in state property tax for school funding **(STOPPED!!)**
- **SB 5747** – New tax on plastic manufacturing businesses **(STOPPED!!)**
- **SB 5735** – Governor’s “cap and tax” plan, potentially the largest middle class tax increase in history **(STOPPED!!)** – BILL PASSED, BUT NO TAX OR FEE ATTACHED)
- **SB 6189** - Sales tax on candy **(STOPPED!!)**
- **SB 5679** – New payroll tax to support paid family leave **(STOPPED!!)**
- **SB 5911** – B&O tax on farms, sales tax on farm auctions **(STOPPED!!)**
- **SB 5960** – Authorizes county governments to impose a new utility tax and increase the local sales tax without a vote of the people **(STOPPED!!)**
- **SB 5945** – New payroll tax to provide government sponsored universal health care insurance **(STOPPED!!)** – (BILL PASSED BUT NO TAX OR FEE ATTACHED)
- **SB 6029** – Sales and use tax on production of petroleum-based fuels and products other than biodiesel **(STOPPED!!)**
- **SB 6147** - 1 percent income tax on wealthy (for now) **(STOPPED!!)**

And the list goes on and on...

Governor signs bill to gut the Taxpayer Protection Act (Initiative 960)

Americans all over this country and this state have been holding tea parties, calling on government to live within its means and its constitutional limits. Yet the powers-that-be in Olympia have been having a “tax party” – proposing and supporting tax increases on everything from candy and bottled water to fertilizer and beer.

The Democrat Tax Party began the moment the Governor signed Senate Bill 6130 into law that dismantled your Taxpayer Protection Act. In 2007, voters passed Initiative 960 to require a two-thirds vote of the Legislature to raise taxes, but that protection is now gone! You demanded to have a chance to express your opinion through an advisory vote on tax increases but that too is now gone! You wanted and expected

“sunshine” on government, but with SB 6130, you are getting a total solar eclipse. What’s more, the bill has an emergency clause, so

“My work to protect you, your wallet, and your rights never ends.”

— Sen. Janéa Holmquist

you are denied your constitutional right to put a referendum on the November ballot to overturn SB 6130. The governor could have at least vetoed the suspension of the advisory vote, if not the whole bill, but she failed to do so. Instead, she chose to sign the bill, laying the foundation for a series of tax increases.



Senator Holmquist’s Awards & Recognitions

Some of the awards and recognitions Sen. Holmquist received for her leadership in protecting employers and their employees:

- Association of General Contractors
2009 Legislator of the Year
- Business Institute of Washington
2009 Legislative Business Star Award
- Washington Restaurant Association
2009 Legislative Hero
- 2009 Friend of Farm Bureau
 (“for an exemplary voting record”)
- Washington State Potato Commission
2010 Legislator of the Year

Operating Budget

Olympia's priorities vs. your family's priorities

When the majority party repealed the Taxpayer Protection Act, we knew this day would come. Instead of turning to reform and living

"I have consistently voted against all attempts to raise your taxes."

— Sen. Janéa Holmquist

within our means, Democrats used 29 days of an embarrassing and costly 30-day special session (at a cost to taxpayers of \$14,000 per day) to pass the largest operating budget tax increase in state history.

Despite unanimous opposition from Republicans and most taxpayers, majority Democrats approved a bill that would increase taxes by \$794 million in the current biennium and nearly \$1.7 billion in the following 2011-13 biennium.

This budget also assumes \$600 million in federal money – money Democrats have assumed will arrive, but they don't know that for sure yet. Interestingly, the total reserves (ending fund balance) assumed in the budget is \$484 million. So if the hoped-for money

doesn't arrive, we'll be hundreds of millions in the hole.

Democrats failed to include any extra funding for pensions in this budget, so next biennium the state will owe \$700 million for pensions and \$1.2 billion after that. In other words, we are careening toward the point where we'll be making pension payments out of the general fund, and Democrats did nothing to stop it.

Again, the Democrats' unsustainable budget depended on one-time federal money. Believe it or not, they still increased total spending in this year's operating budget.

There are also a bunch of smoke-and-mirror moves in this budget, including \$690 million in fund transfers.

This is no way to balance a budget. It wouldn't work for your family, and it won't work for the state. **When Washington families face tough times, they know they have to tighten their belts and live within their means. And they expect our state government to do the same darn thing.**

Legislators must learn from history – you cannot tax and spend your way out of a recession.

Capital Budget

Funding for Hogue Hall at Central Retained

While there is not much to be happy about in budgets these days, I am pleased the capital budget, signed into law, retained \$27 million for the Hogue Hall addition at Central Washington University.

When completed the Hogue Hall addition will house advanced

laboratories and be updated for changing, high-demand technology fields. I worked with my fellow 13th District legislators in the House and colleagues across the aisle in the Senate to ensure we retained funding for this worthwhile project.

The largest operating budget tax increase in state history

Democrats' \$1.7 Billion Tax Package

- **\$725 Million** - 0.30% B&O tax increase on all service industries, like doctors, accountants, and hairdressers
- **\$354.4 Million** - B&O tax increase on direct sellers (Dot Foods Court Case: Complete repeal of exemption as of May 1, 2010)
- **\$299.2 Million** - \$1 per pack for cigarettes plus other tobacco tax increases (HB 2493)
- **\$492 Million** - B&O tax on out-of-state companies that do significant business in Washington
- **\$177 Million** - Beer tax increase of \$101.8 Million - Sales tax on bottled water
- **\$105.9 Million** - Soda pop tax increase \$ 92.9 Million - Sales tax on candy and gum
- **\$38.9 Million** - Taxes on business structure transactions
- **\$21.7 Million** - B&O tax increase on property management salaries
- **\$12.9 Million** - B&O tax increase on certain canned meat products (from 0.138% to 0.484%)
- **\$11.5 Million** - B&O tax increase on mortgages
- **\$6.7 Million** - B&O tax on corporate officer salaries
- **\$5.8** - Tax increase on bad debts
- **\$4.1 Million** - **Livestock** nutrient management tax increase
- **\$3.4 Million** - PUD electric bills tax increase
- **\$3.1 Million** - Personal liability for tax debts; Expands number of corporate officers personally liable for unpaid sales taxes.
- **\$10.0 Million** - Washington State Convention and Trade Center hotel tax payment (SB 6889)
- **\$684 Million** - A hospital provider tax. (ESSHB 2956), Expires 2013

...more to come?

Holmquist focuses on job creation

I went to Olympia this year determined to work in a bipartisan manner to get things done and bring jobs back home to the 13th District.

Holmquist bill to create jobs signed by Governor

I am proud to have co-sponsored a new law that will help our private sector create jobs right here in the 13th District. Created by Engrossed Substitute Senate Bill 6789, it offers

"My number-one priority is to create jobs."

— Sen. Janéa Holmquist

a sales and use tax exemption for technology companies purchasing server equipment and power infrastructure for computer data centers.

Since the economic downturn, companies such as Yahoo! halted plans to proceed with phase two of its expansion in Quincy. Our state has also lost out on hosting data centers for Facebook, Google, and Amazon.com, among other companies. Even Washington-based Microsoft cut back on plans for expansion in its home state and moved its servers to Texas, citing Washington's tax burden as the main reason for the move.

This new law makes Washington more competitive, while allowing the state and local governments to benefit from the sales tax on construction and long-term property taxes companies will pay. **As a result, local citizens will pay less in property taxes.**

This tax incentive sends a message to the entire industry that Washington is willing to do something to improve its business climate. And for companies hoping to invest and create jobs in our state, that's a good start.

'Project Chinook' coming to Grant County

I was elated when I heard the official word at a press conference with representatives from BMW and the SGL Group in April that a carbon fibers and fabrics manufacturing plant for the automotive industry would be coming to Grant County. The initial phase of the project will represent an investment of approximately \$100 million and create approximately 80 long-term, high-wage jobs in addition to 200 construction jobs.

I am thrilled by not only the promise in job creation of phase one, but I'm looking forward to ensure that future phases are built in our state.

I supported the Community Economic Revitalization Board's \$1,500,000 loan and \$500,000 grant to the Port of Moses Lake that helped land the project in Grant County. Those funds will be used to construct a new electrical substation needed for the project.

Missed opportunities

As Republican leader on the Senate labor committee, I have spoken directly with employers about the barriers to creating and maintaining jobs in Washington.

One sentiment they share: The high (and rising) cost of payroll taxes and state regulations simply make

When it comes to issues impacting the struggling construction industry, Holmquist worked to protect the rights of independent contractors — successfully working with the Building Industry Association of Washington and other organizations to stop changes to the retrospective program and the imposition of new costly, home warranty mandates on home builders.

operating a business too expensive.

My colleagues and I examined the best practices of other states and made several recommendations to improve the business climate and thereby create jobs. They include:

- smooth out increases in unemployment insurance taxes;
- reform the workers' compensation system; and
- reduce and ultimately eliminate the business and occupation (B&O) tax.

Our common-sense proposals would have given Washington's employers more certainty and a chance to regain their financial footing. Unfortunately, the Democrat majority in Olympia turned a deaf ear to the needs of our state's employers, refusing to even hold hearings on many of these ideas.

As we move forward, we must be willing to put special interests aside and work together to encourage private-sector employers to create new jobs.

Private-sector job creation is the only way out of this recession.



Governor signs Holmquist's data center job creation bill joined by Rep. Judy Warrick, Quincy Port Commissioners Curt A. Morris and Brian A. Kuest, John Sabey, President of Sabey Data Center Properties, and others.

Citizens' right to petition

As a Washington citizen, you have the ability to create or reject laws through your rights of initiative and referendum. While our constitution grants this power, the Democrat majority in Olympia is intent on removing it.

Several proposals in Olympia this session tried to seriously erode your right to participate and ability to interact with your government.

The Democrat-controlled Senate passed **Senate Bill 6754**, which would force public disclosure of the names and addresses of people who sign petitions to place initiatives and referenda on the ballot.

Did you realize that your Taxpayer Protection Act would allow you to see how legislators voted on tax increases in the Voters' Pamphlet? When they voted to gut the Taxpayer Protection Act, they removed this requirement. Democrats are okay with publishing the names and addresses of voters who sign petitions. But just a few days before the debate on SB 6754, they voted to conceal their names from the voters, in the Voters' Pamphlet, and how they voted on tax increases. That's what you call irony.

The Senate also passed **Senate Bill 6449**, which would require businesses that pay petition signature-

gatherers to register with the Public Disclosure Commission. This registration would be a lengthy and complicated process. The bill is just another attempt to put the brakes on your constitutional right to petition your government.

The cumulative effect of these initiative-killing bills is toxic to our guaranteed freedoms.

Fortunately, both of these proposals failed to pass the House before the end of the Special Session. However, I am sure we'll see these and other proposals in future years.

I will continue to fight these attacks on your rights and remind my colleagues that they work for you, and not the other way around.

Assault weapons ban defeated

As an ardent supporter of the Constitution, a lifetime member of the NRA and a gun owner, I want you to know that I share your concerns about – and will not support – attempts to infringe on our Second and Fourth Amendment rights. Consequently, I am opposed to Senate Bill 6396 – the so-called "Assault Weapons Ban."

"Legislators should not be using a tragedy as an excuse to infringe on the rights of Washingtonians."

— Sen. Janéa Holmquist

This year, proponents of the bill tried to ride the wave of sympathy for the tragic killing of four Lakewood police officers and one Seattle officer. This is disgraceful.

The bill would not only ban firearms arbitrarily, it would also allow police to enter the homes of gun owners and make

sure that guns are being stored safely. The searches could be performed without a warrant at any time. This would constitute a gross violation of our Fourth Amendment protections against unreasonable searches and seizures.

More gun laws are not the answer to preventing future tragedies. Restricting our Second Amendment rights will only punish law-abiding citizens. Legislators should not be using a tragedy as an excuse to infringe on the rights of Washingtonians.

I worked together with colleagues and concerned citizens, such as yourself, to successfully stop the bill from passing out of its policy committee. Consequently, the bill became ineligible for further consideration during the 2010 session.

But we cannot let our guard down. The gun-control crowd can use any tragic event or lack of effort on our part to revive this measure. My fight to protect your rights never ends.

Governor signed companion to Holmquist bill to reform state building code council

As we saw from its winter vote to implement new energy-efficiency mandates projected to increase home-construction costs by at least \$10,000 per home, the Washington State Building Code Council's decisions can have a major impact on our local industries and economy. The Legislature has an obligation to ensure that the council represents all sectors of affected industries.

That is why I introduced Senate Bill 6586 – a bill that would have helped restore balance to the council. The House version of my bill – Substitute House Bill 2775 – passed the Legislature and was signed into law by the governor.

Under SHB 2775, any member of the building code council who is appointed to represent a specific private-sector industry must maintain sufficiently similar employment or circumstances throughout the term of office to remain qualified to represent the specific industry. If a council member enters into employment outside of the industry he or she has been appointed to represent, then the member is removed from the council.

District Office Days

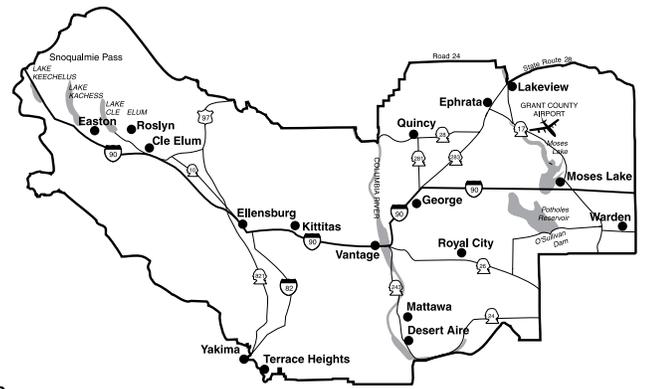
Kittitas County

10 a.m. to 4 p.m.
1st Thursday of each month
Kittitas County Courthouse
205 W. 5th Ave., Suite 108
Ellensburg

Yakima County

10 a.m. to 3 p.m.
1st Wednesday of each month
Moxee City Hall
225 W. Seattle
Moxee

No appointment necessary!



13th Legislative District

Senator
Janéa Holmquist

Holmquist supports McKenna's challenge of unconstitutional health care bill

Though a majority of Americans called on their representatives to just "kill the bill," Democrats in Congress passed the "health care reform act," without a single Republican vote, 219 to 212. This law will spend in excess of \$1 trillion in taxpayer money over the next decade while forcing Americans to buy a private product for the first time in American history.

Attorney General Rob McKenna is demonstrating leadership and courage in fighting this unconstitutional law and joining in a multi-state lawsuit to challenge it in court.

I applaud McKenna for this brave political act. As the attorney general, he has a fundamental responsibility to protect the values and rights of all Washingtonians. In fact, all elected officials have an obligation to defend the Constitution and the rights of our citizens.

Anticipating that an unconstitutional mandate could be part of President Obama's so-called "reform," I introduced Senate Bill 6535 at the beginning of the regular session. Known as the **Washington State Health Care Freedom Act of**

2010, the bill would protect those employers and workers who refuse to participate in this socialized medicine scheme from possible fines and penalties. It would also make null and void in Washington any federal law, rule, order or other act by the federal government violating the provisions of the bill.

Unfortunately, the majority party in Olympia failed to act on this measure.

No matter the challenges we face from both Olympia and the "other Washington," I will continue to work for the preservation of your rights.

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