

Senator Mike Hewitt



Olympia office:

314 Legislative Building
P.O. Box 40416
Olympia, WA 98504-0416

Phone: (360) 786-7630

FAX: (360) 786-1266

E-mail: Hewitt.Mike@leg.wa.gov

Web site:

www.senaterepublicans.wa.gov/hewitt

2009 Session Review

Dear Friends and Neighbors,

The 2009 legislative session is over. Although the main topic of the session was the budget, the Legislature dealt with many other issues as well. In fact, there were more than 2,500 bills introduced this session – the fourth highest number since 1983. The Legislature passed 583 bills – a new record. Topics addressed touched on everything from the environment to schools to business-related issues.

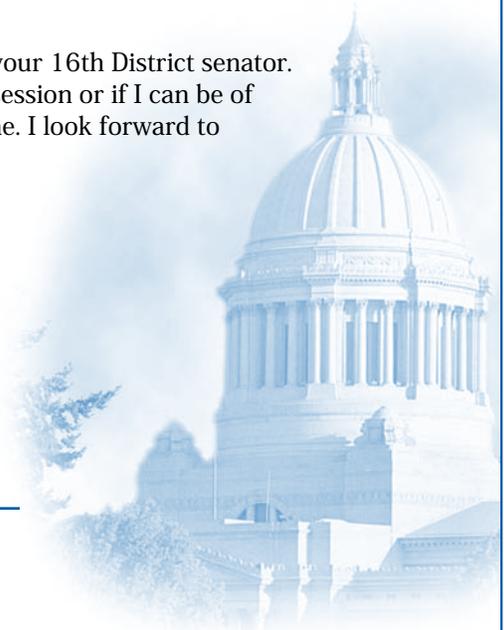
You'll find more about these and other topics in this newsletter. I also encourage you to visit my Web site at www.senaterepublicans.wa.gov/hewitt for additional information.

Thank you for the opportunity to serve as your 16th District senator. If you have any questions about the 2009 session or if I can be of assistance to you, I hope you will contact me. I look forward to hearing from you.

Sincerely,

A handwritten signature in blue ink that reads "Mike Hewitt".

Senate Republican Leader
Washington State Senate
16th Legislative District



What happened with the budget?

The Legislature finally passed the 2009-11 operating budget on day 104 of the 105-day session. That delay cost all of us a lot.

My Republican colleagues and I called on the governor and the majority party to begin addressing our state budget problem last December. Acting early would have compounded our savings – in fact, every dollar saved at that time would have spared us \$4 in cuts we saw in the final budget. We also called for government reforms that would bring spending in line with revenue.

The budget the Legislature passed met neither of those goals and included no substantive reforms. It filled ongoing spending holes with one-time monies, setting us up to be in an even worse situation in two years when we write the next biennial budget.

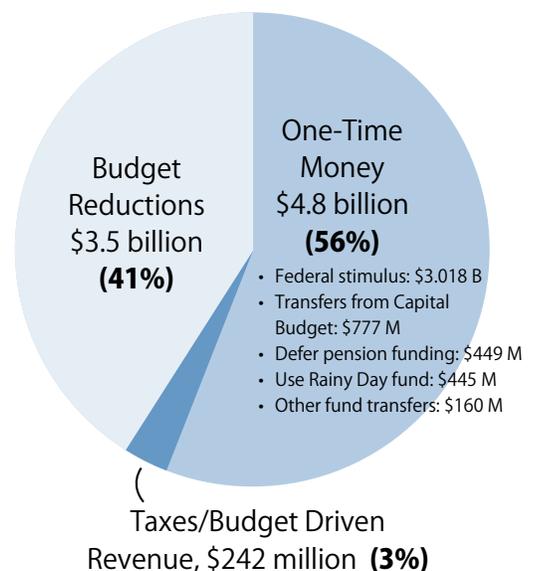
State spending has increased more than 33 percent over the past four years, and the spending rate grew at 2-1/2 times the rate of revenue coming into the state. The consequence is these painful cuts. It simply isn't compassionate to give something to someone and then take it away.

It's time to bring spending in line with our projected revenue – for the long term. That's the only way we are going to avoid this situation again in the future. I will continue to push for fiscal sanity in the state Legislature.

(Budget news continued inside)

The Operating Budget Solution was Heavily Reliant on One-Time Money

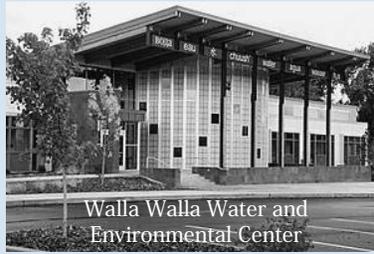
Near General Fund State



What happened with the budget?

Capital budget

The state capital budget is used to build, improve and repair public works projects around the state. It usually enjoys widespread, bipartisan support because it completes projects important to our local communities and creates jobs around the state.



Walla Walla Water and Environmental Center

This year, for the first time, budget writers raided the capital budget to the tune of \$777 million and transferred those funds to the operating budget to be used for general expenses. In doing so, the state will be spending bonded dollars on general state programs, such as health care and social services, when they should be used to build and maintain critical infrastructure. This set a new precedent that could have a negative effect on our state's long-term debt and bond rating.

Senate passes transportation budget

While the transportation budget did include funding for some projects in our district, including an interchange at U.S. Highway 12 and SR 124, a four-lane divided highway on U.S. 12 from the Frenchtown area to Walla Walla, and traffic and safety improvements at the I-182/Road 100 interchange near Pasco, it also took an approach I hope we will avoid in future budgets.

In 2006, the Legislature passed a law requiring state agencies to use a minimum of 20 percent biodiesel starting June 1, 2009. The transportation budget we passed this year made state ferries exempt from that law. Although I did not support the original imposition of the requirement, I am very opposed to state government inserting itself into the marketplace by encouraging companies to take risks to provide goods and services and then yanking those markets away. That affects real people with real jobs. I hope we avoid this approach in the future.

Licensing office to remain open

As you may know, the Walla Walla Department of Licensing office was one of 25 statewide identified for closure. That would have meant a drive of nearly 50 miles – each way – for some people to visit a Department of Licensing (DOL) office.

I worked closely with the director of the DOL this year to find a way to keep citizens in and around Walla Walla from being cut off from the department's services. In mid-April the department set new criteria for which offices will be considered for closure. We were able to get that language into the budget, which ultimately helped keep the office open. While I support state agency efficiencies, I also believe we must make necessary services available to people within a reasonable distance of their homes and businesses.

State parks stay open

As you may have heard, earlier this year the state parks department was slated for deep cuts and many parks, including Sacajawea Park near Pasco, were slated for closure. In the end the Legislature passed a measure that changed the \$5 parks donation option residents have when registering their vehicles from an "opt-in" system (where you can check a box to give \$5 to parks) to an "opt-out" system (where you must check a box not to give). The measure is expected to raise enough revenues to keep all state parks open.



Sacajawea State Park near Pasco

Tax bills introduced

Several tax proposals emerged this year as a way to balance the budget. I opposed these measures, saying publicly and often that we could – and should – balance the budget without raising taxes. Although these bills did not pass, they could very well be back again next year.



- **Income tax.** One proposal would have imposed a state income tax on "all taxable income of resident individuals, estates, and trusts on all individuals, estates, and trusts deriving income from sources in Washington for each taxable year."
- **High incomes tax.** Another would have imposed a 1 percent income tax on income above \$500,000 for individuals and income for married couples above \$1 million. The income threshold was later reduced to \$250,000.
- **Sales tax increase.** One proposal that received a great deal of media attention would have increased the state sales and use taxes by 0.3 percent from Jan. 1, 2010 through Dec. 21, 2012 with the funds going toward health care. It would have been referred to voters. The bill received a hearing but did not come before the full House or Senate for a vote.



All of these bills came before the entire Senate for consideration – no wonder the Legislature passed a record number of bills this session!

Environmental issues

- Hydropower.** Initiative 937, passed by voters in 2006, requires energy companies to get a certain percentage of their power from renewable resources. Hydroelectric power, which provides nearly 70 percent of our state's energy needs, is not recognized as one of those renewable resources. This means energy companies must purchase renewable power elsewhere, increasing costs to heat our homes and do business in Washington. There were several bills on the table this year to recognize hydropower as renewable, but none of them passed. I will continue to pursue recognition of hydropower as a clean, renewable resource.
- Cap and trade.** Senate Bill 5735, also known as the "cap and tax" bill, would impose carbon emission limits on many of Washington's largest employers. Companies that couldn't meet the new requirements would be required to buy credits to offset their excess emissions. As the bill moved through the Legislature it changed to remove the emission cap, but still moved the state in that direction. Although the bill did not pass, Gov. Gregoire issued an executive order on May 21 directing state agencies to carry out most parts of the bill anyway. According to the federal Congressional Budget Office, policies mandating a 15 percent cut in greenhouse gas emissions will result in an annual cost increase of \$680 for low-income households and \$1,160 for middle-income households.
- Insurance based on miles driven.** Senate Bill 5708 would allow insurance companies to charge for auto insurance based on the number of miles you drive. Determining mileage would likely involve installing a tracking device in your car or truck. This raises privacy concerns and would be more expensive for those of us in Eastern Washington who often must travel farther for goods and services. The bill did not pass but the state is definitely headed toward tracking the vehicle miles you travel and charging you for things like insurance and auto registrations on that basis.



Ice Harbor Lock and Dam on the Snake River

Business-busting bills proposed

One of the most surprising moves this session was the number of bills that hurt employers and would result in lost jobs. Here are some of them:

- Restricting employer/employee communications.** Under a measure introduced this year employers would not be able to communicate with their employees about matters related to politics, religion or labor. "Political matters" was defined broadly to include even charity drives or community events. The bill did not pass, but will probably be back next year.
- Retrospective rating programs.** The "retro" program, as it is known, allows small businesses to work together to increase safety and reduce workers' compensation costs. A Senate bill introduced this year would restrict how private trade organizations use their recouped retro funds, including advocating for issues on members' behalf. This measure passed the Senate but died in the House.
- Paid family leave.** In 2007 the Legislature passed a bill that established a framework for a paid family leave program in Washington. The program was to begin in October 2009, but the computer program hasn't been created yet and the Legislature has not determined a funding source, although eventually it could include a new payroll tax.

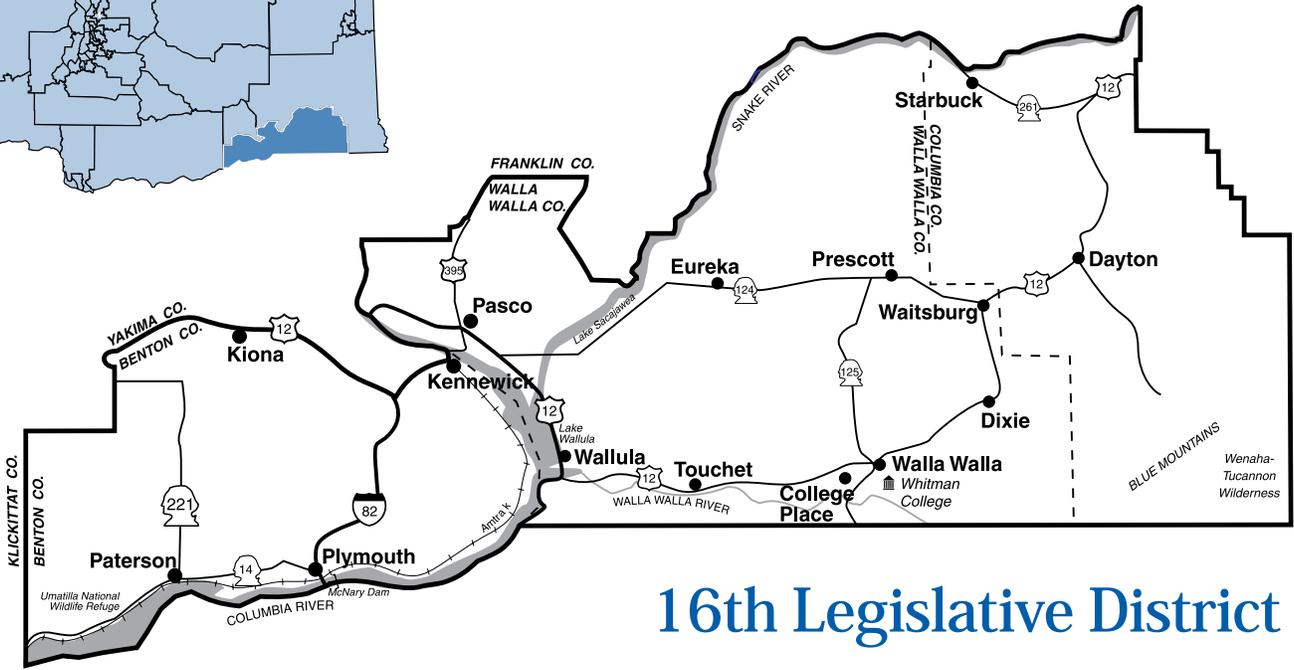
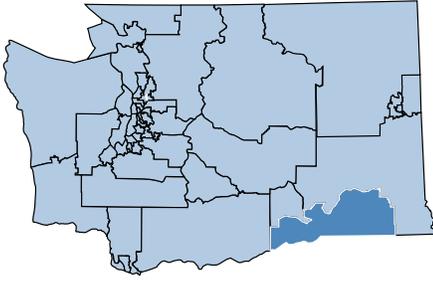


What's on tap for next year?

Here's what I see on the agenda for next session:

- Dealing with the budget deficit – this time without most of the one-time funds that saved budget-writers this year.
- Finding ways to pay for programs that were passed but not funded.
- Attempts to weaken or eliminate Initiative 960, the measure that, among other things, requires a 2/3 vote of the Legislature to raise taxes.
- Proposals to tax you based on the number of miles you travel in your car.
- The return of many environmental measures, including cap and trade.

Senator Mike Hewitt



16th Legislative District

09-7387 SP 6-09



**Senator
Mike Hewitt**

314 Legislative Building
P.O. Box 40416
Olympia, WA 98504-0416



PRSRRT STD
U.S. Postage
PAID
WA State Dept.
of Printing 98501