

# Citizen Commission for Performance Measurement of Tax Preferences Policies

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## **Policy 06-01: Commission Meeting Attendance by Communication Equipment**

**Approved by Commission:** August 10, 2017

**Effective Date:** August 10, 2017

Any commissioner may attend a meeting by means of conference telephone call or any other communications equipment that allows all persons participating in the meeting to speak to and hear all participants. Participation by such means shall constitute presence at a meeting, and the telephone conferencing commissioner is eligible to vote.

If possible, commissioners desiring to attend a meeting by conference telephone call or any other communications equipment should notify the Chairman and JLARC staff at least five business days prior to the scheduled meeting.

## **Policy 07-01: Conflict of Interest**

**Approved by Commission:** January 19, 2007

**Effective Date:** January 19, 2007

When a member of the Citizen Commission for Performance Measurement of Tax Preferences ("Commission") has an interest, directly or indirectly, in a tax preference the member shall disclose the interest prior to the Commission's discussion and votes to schedule a review or comment on the preference. The member's interest shall be noted in the Commission meeting minutes. After the disclosure of the interest the interested member may participate in discussions and any votes to schedule a review or comment on the preference.

## **Policy 09-01: Delegated Authority to Adjust Level of Reviews**

**Approved by Commission:** October 16, 2009

**Effective Date:** October 16, 2009

Tax Preferences being reviewed at the direction of the Citizen Commission for Performance Measurement of Tax Preferences ("Commission") are classified by size of fiscal impact, based on information from the Department of Revenue. When conducting tax preference reviews for the Commission, the Legislative Auditor has the delegated authority to adjust the level of review for a specific tax preference if additional information indicates the fiscal impact size is incorrect. The Legislative Auditor will notify the Commission of any adjustments prior to the completion of each year's reviews. The Commission will consider action to ratify any adjustments made by the Legislative Auditor at the next available Commission meeting.

## **Policy 16-01: Record Retention for Individual Commission Member's Meeting Materials**

**Approved by Commission:** October 14, 2016

**Effective Date:** October 14, 2016

The State Government General Records Retention provides that individual Commission members' meeting materials including agendas, meeting packets, working notes, drafts and related correspondence and communications shall be retained until no longer needed for agency business and then be destroyed. (GS 09026).

Accordingly, the Commission determines:

1. The records that need to be retained for the business needs of the Commission are those documents which individual Commission members rely upon in the formulation of the Commission's adopted comments on annual tax preference reviews conducted by JLARC staff.

2. In order to satisfy the Commission's business need for these records, the records shall be retained by Commissioners until the adoption of the Commission's comments for each review cycle.

## **Introduction: The Citizen Commission for Performance Measurement of Tax Preferences**

**Approved by Commission:** August 2, 2023

**Effective Date:** August 2, 2023

The Citizen Commission for Performance Measurement of Tax Preferences was established by the Legislature in 2006 under RCW 43.136.035. The Commission exists to provide advisory comments to the Legislature on tax preference reviews that are conducted independent from the Commission by staff to the Joint Legislative Audit and Review Committee (JLARC).

Under the statute, the voting Commissioners should encompass certain interests via their knowledge and expertise. Specifically, the statute says Commissioners should have a basic understanding of state tax policy, government operations, and public services, and should have knowledge and expertise in performance management, fiscal analysis, strategic planning, economic development, performance assessments, or closely related fields. In addition, the nonvoting Commissioners are designated as the State Auditor and Chair of the Joint Legislative Audit and Review Committee.

Accordingly, the Commission is proposing to adopt the following policies using the Model Rules promulgated by the Executive Ethics Board Advisory Opinion 96-09A, since the Commissioners are required to be appointed from identifiable groups or interests.

### **Policy 23-01: Individual Commissioner's Interests in Commission Contracts/Sales/Leases/Purchases/Grants**

1. When a member of the Commission is beneficially interested, directly or indirectly, in a contract, sale, lease, purchase or grant that may be made by, through, or is under the supervision of the Commission, in whole or in part, or when the member accepts, directly or indirectly, any compensation, gratuity, or reward from any other person beneficially interested in such contract, sale, lease, purchase, or grant, the member shall:
  - a) Recuse him or herself from the Commission discussion regarding the specific contract, sale, lease, purchase, or grant;
  - b) Recuse him or herself from the Commission vote on the specific contract, sale, lease, purchase, or grant; and
  - c) Refrain from attempting to influence the remaining Commission members in their discussion and vote regarding the specific contract, sale, lease, purchase, or grant.
2. The prohibition against discussion set forth in sections (a) and (c) shall not prohibit the member of the Commission from using his or her general expertise to educate and provide general information on the subject area to the other members.
3. Under subsection (1), "any other person" has a beneficial interest in a contract, sale, lease, purchase or grant when the other person bids or otherwise seeks to be awarded the contract, sale, lease, purchase, or grant.

### **Policy 23-02: Individual Commissioner's Interests in Commission Approvals**

1. When a member of the Commission either owns a beneficial interest in or is an officer, agent, employee or member of an entity or individual which is engaged in a transaction involving the Commission, the member shall:
  - a) Recuse him or herself from the Commission discussion regarding the specific transaction;
  - b) Recuse him or herself from the Commission vote on the specific transaction; and

- c) Refrain from attempting to influence the remaining Commission members in their discussion and vote regarding the specific transaction.
2. The prohibition against discussion and voting set forth in sections (a) and (c) shall not prohibit the member of the Commission from using his or her general expertise to educate and provide general information on the subject area to the other members.
3.
  - a) "Transaction involving the Commission" means a proceeding, application, submission, request for a ruling or other determination, contract, claim, case, or other similar matter that the member in question believes, or has reason to believe:
    - i. Is, or will be, the subject of Commission action; or
    - ii. Is one to which the Commission is or will be a party; or
    - iii. Is one in which the Commission has a direct and substantial proprietary interest.
  - b) "Transaction involving the Commission" does not include the following: Preparation, consideration, or enactment of legislation, including appropriation of moneys in a budget, or the performance of legislative duties by a member; or a claim, case, lawsuit, or similar matter if the member did not participate in the underlying transaction involving the Commission that is the basis for the claim, case, or lawsuit. Rulemaking is not a "transaction involving the Commission."
4. "Commission action" means any action on the part of the Commission, including, but not limited to:
  - a) A decision, determination, finding, ruling, or order; and
  - b) A grant, payment, award, license, contract, transaction, sanction, or approval, or the denial thereof, or failure to act with respect to a decision, determination, finding, ruling, or order.

#### **Policy 23-03: Disclosure of Reasons for Recusal**

1. If recusal occurs pursuant to Policy 23-01 or 23-02, Commissioners shall disclose to the public the reasons for their recusal from any Commission action whenever recusal occurs. The Commission staff shall record in the minutes each recusal and the basis for the recusal.