

State of Washington  
**Citizen Commission for Performance Measurement of Tax Preferences**

**COMMISSION MEMBERS**

**Dr. Grant Forsyth Chair**  
Avista Corp.

**Andi Nofziger-Meadows, Vice Chair**  
Edmonds Education Association

**Dr. Sharon Kioko**  
Evans School of Public Policy and Governance  
University of Washington

**Ronald Bueing**  
**James Orr**

**NON-VOTING MEMBERS**

**Representative Gerry Pollet**  
Chair, Joint Legislative Audit and Review Committee

**Pat McCarthy**  
Washington State Auditor

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**Citizen Commission for Performance Measurement of Tax Preferences**  
**Meeting Minutes**

October 18, 2022  
Virtual

**Commissioners Present:**

Dr. Grant Forsyth, Chair  
James Orr

Ronald L. Bueing  
Dr. Sharon Kioko

Andi Nofziger-Meadows, Vice Chair

**Non-voting Members:**

Representative Gerry Pollet, JLARC Chair

**Staff:**

Keenan Konopaski  
Marilyn Richter  
Adah Barenburg  
Kristin Lamson, AGO

Eric Thomas  
Emily Martin  
Dana Lynn

Pete van Moorsel  
Geneva Johnston  
Eric Whitaker

Liz Thomas  
Aline Meyosonnat  
Ryan McCord

**CALL TO ORDER AND WELCOME**

[TVW Recording](#)

Chair Forsyth called the meeting to order at 10:00 a.m.

The Chair welcomed everyone in attendance by Zoom and conducted a roll call.

**COMMISSION BUSINESS**

[TVW Recording](#)

**1. Commission Business**

**a. Approval of September 8, 2022 Meeting Minutes**

**MOTION:** A motion was made to approve the September 8, 2022 meeting minutes.

The motion was seconded and carried unanimously.

(See TVW recording at [00:02:40](#))

**b. Proposed 2023 Meeting Schedule**

The Commission discussed the 2023 meeting schedule.

Keenan Konopaski, Legislative Auditor, noted that the September and October meeting dates needing to change due to James Orr, Commissioner, and Dr. Sharon Kioko, Commissioner having scheduling conflicts. The meeting date for the September was changed to September 27, 2023. The meeting date for the October was changed to October 31, 2023.

**2. Action Item: Discussion/Adoption of Commissioner Comments on 2022 Tax Preferences**

**a. Chair Proposed Combined Commissioner Comments**

**MOTION:** A motion was made to adopt the Legislative Auditor's recommendations with no comment.

The Commission unanimously voted to endorse the following Legislative Auditor's recommendations without comment:

Continue and clarify the **B&O preferences for dairy processors**

Allow to expire the **B&O preference for: dairy products used as an ingredient or component to create other dairy products.**

Review and clarify the **B&O tax preferences for seafood processors.**

Continue the **Historic Automobile Museums Sales and Use Tax Deferral.**

**MOTION:** A motion was made to adopt the Legislative Auditor's recommendations with comment.

The Commission unanimously voted to endorse the following Legislative Auditor's recommendations with the combined Commissioner comments:

Continue and modify the preference for **Commute Trip Reduction.**

*Combined Commission Comment:* Increasing commute alternatives, decreasing traffic congestion, and decreasing energy use and air pollution are becoming more important to our state for quality of life and sustainability. Traffic congestion and energy use is not solely a Puget Sound corridor issue; Eastern Washington and rural communities can all benefit from reducing single-occupant travel.

Continue and clarify the **B&O preferences for fruit & vegetable processors.**

*Commission Comment:* Public testimony highlighted the importance of this tax preference for our state's wine industry, which has shown solid industry growth in jobs, wages, and tourism in the past decade. More generally, food processors face higher tax burdens in Washington compared to neighboring states. This preference helps level the playing field for all kinds of food processors, allowing them to remain competitive and/or grow.

Clarify the **Property Tax Exemptions for Nonprofit Hospitals and Cancer Clinics.**

*Commission Comment:* The preference has no expiration date, but it should be continued with clarification. The legislature should state public policy objectives and metrics so the intent and performance of this preference can be more easily measured in future reviews. The non-profit hospitals and cancer centers provide essential charity care to vulnerable populations in our state, and metrics would assist them in demonstrating the value of the service they provide to our state and communities.

(See TVW recording at [00:10:56](#))

View the adopted [Citizen Commission comments](#) here.

### 3. Study Questions for 2023 Tax Preference Reviews

Dana Lynn, Ryan McCord, Aline Meysonnat, Pete van Moorsel, and Eric Whitaker, JLARC Staff, presented the proposed study questions for 2023 tax preference reviews.

- a. **Interstate Commercial Transportation Preferences**
- b. **Rural County and CEZ B&O Job Credit**
- c. **Rehabilitated Historic Properties**
- d. **Historic Ships and Vessels**
- e. **Agricultural Crop Protection Products Tax Preference**
- f. **International Services B&O Tax Credit**

(See TVW recording at [00:18:01](#))

Keenan Konopaski, Legislative Auditor, spoke about the next steps for the Citizen Commission.

Chair Forsyth stated that Keenan Konopaski, Legislative Auditor, will be retiring in January 2023, and spoke about his appreciation for Keenan Konopaski's work as Legislative Auditor, and offered him the opportunity to speak about his experience with the Citizens Tax Commission.

Keenan expressed his appreciation of the opportunity to work with the commissioners over the years and discussed the value of the Commission. Keenan also announced that the JLARC Executive Committee unanimously recommended Eric Thomas, as the next Legislative Auditor and that the full JLARC committee will vote to appoint Eric at the JLARC special meeting scheduled for October 19, 2022.

Meeting adjourned at 11:04 a.m.