

Olympia, Washington

Rep. Cary Condotta's E-mail Update: Feb. 26, 2010

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Dear Friends and Neighbors:

Thank you for all of your feedback over the first few weeks of the 2010 legislative session. We began our work in Olympia on Jan. 11. Since then, hundreds of bills have been introduced and the public hearings are going quickly. The most controversial bill of the session, [Senate Bill 6130](#), passed the House Feb. 17 and the governor signed it into law Feb. 24. The bill overturns the 2007 voter-approved Taxpayer Protection Act, Initiative 960. I did not support the repeal of I-960 and do not believe higher taxes are the solution to the majority party's spending problem.

I have included a few issue updates below that I hope are helpful. As always, please let me know if you need additional information on any or all of the topics below. If there are other bills you are watching, please let me know as I would be happy to update you on the status of those and give you more information as needed.

Thank you for allowing me to serve you.

[Rep. Cary Condotta](#), 12th Legislative District

Taxpayer Protection Act, I-960, Repeal:

The majority party in the House of Representatives passed Senate Bill 6130, which suspended the voter-approved Taxpayer Protection Act (Initiative 960) by a vote of 51 to 47. You can read the statement I sent out about the passage of Senate Bill 6130 [here](#). Watch my floor speech on the repeal of I-960 by clicking on this link: <http://houserepublicans.wa.gov/news/legislature/rep-cary-condotta-email-update-feb-26-2010/>. Then, scroll down to the video on my Web site.

Here is some information on the initiative:

- I-960 passed in 2007 by 59.1 percent of the vote in the 12th District;
- It requires public notifications and 10-year cost projections when bills are introduced, heard and passed which increase taxes or fees;
- It enforces and clarifies a two-thirds majority vote requirement of the Legislature, or a vote of the people, on tax increases;
- It requires notice to the public in the voters' pamphlet regarding actions by the Legislature that raise taxes; and,
- It requires an advisory vote of the public when taxes are increased.

Now signed by the governor, Senate Bill 6130 does away with the second, third and fourth parts of the initiative listed above.

There are many reasons the repeal of taxpayer protections and transparency are bad for Washington citizens, but the worst reason is that it opens the floodgates to increasing taxes on families and business owners. Employers have already seen huge increases in payroll taxes in 2010 - \$117 million increase in workers' compensation premiums and \$352 million in unemployment insurance rates. In addition, 77 bills have been introduced just this year that would raise taxes by \$3 billion dollars in the next fiscal year beginning July 1, 2010. The increase totals \$11 billion in the 2011-13 budget. Here are the lists of new and increased tax and fee proposals introduced in the 2010 legislative session:

[2010 Tax Bill Watch List.pdf](#)

I am concerned we are headed down the path of California – tax and spend, then tax some more. It doesn't work. Jobs and people are leaving California due to high taxation and the inability to find work. Washington is not far behind if the only solution those in charge in Olympia can find are new taxes and fees. Businesses will close or relocate, families will move where they can find good-paying jobs and it will further erode our state's economy. We cannot tax ourselves into prosperity.

I think the people of this state are waking up, and they know that a government that prioritizes spending and limits taxation will create wealth and ensure liberty.

For my part, I believe the only way out of this recession is to put people back to work in the private sector. When people are working, the tax revenue will follow. Likewise, when employers have certainty the government will not tax them out of business, they tend to invest more in job creation and purchasing equipment – also generating revenue for the state and local governments.

I do not support increasing taxes – not on individuals or employers. It's time to contain government spending and find ways to ease state agency regulations that are hurting job retention. Over the past 20 years, state leaders have increased spending by 400 percent while the population has increased by only 44 percent. If more taxes and spending equals more prosperity, then why isn't our state better off? It's a question that needs to be answered and solved before raising taxes again.

The Democrats' budget proposals:

This week, the House and Senate Democrats, who hold substantial majorities in both chambers, rolled out their 2010 supplemental budget plans. Their solutions to the \$2.7 billion budget shortfall is to transfer funds from capital budget accounts, offer minor adjustments to government spending, use funds from another federal bailout and, finally, rely mostly on tax increases to solve their budget mess. It's the same patch job done last year on the budget, which has proven to be a complete failure since we are in exactly the same place this year.

The House [Democrats' proposed supplemental operating budget](#) would spend \$30.678 billion, leaving just \$269 million in reserves. It would address the state's \$2.7 billion shortfall by using:

- \$857 million in new taxes;
- \$641 million in federal dollars;

- \$653 million in state spending cuts;
- \$236 million in state budget transfers; and
- \$311 million from state reserves.

The state had a \$1.8 billion surplus in the 2005-07 budget cycle, driven by extraordinary real estate excise tax revenue. State spending then grew 33 percent, or more than \$8 billion, from 2005 to 2008. If the federal bailout money is calculated into the budget, state spending has risen by 40 percent!

The majority party created new programs we simply could not afford. Now, we are doing the same thing by extending those programs with one-time money. How long will we keep deferring the creation of a sustainable and responsible budget?

Lawmakers must reform spending – not add new revenue. In fact, the budget presented in the House of Representatives offers only a 1 percent reduction in the overall budget despite the rhetoric to the contrary.

I continue to believe we can balance the budget without new or higher taxes. Once again, we cannot tax our way to prosperity. Real budget reforms must happen or we will lose employers and the jobs they create, which will further hurt citizens of Washington.

To watch my interview on TVW's The Impact where I discuss pro-jobs legislation and the budget [here](#).

For more information on these or other issues, please contact my legislative office at (360) 786-7954 or via e-mail at condotta.cary@leg.wa.gov.