



Citizen Commission for Performance Measurement of Tax Preferences

Dr. Grant D. Forsyth, Chair

Avista Corp

Ronald Bueing

PricewaterhouseCoopers

Diane Lourdes Dick

Seattle University School of Law

Dr. Justin Marlowe

Evans School of Public Policy and
Governance, University of Washington

Andi Nofziger-Meadows

Edmonds Education Association

NON-VOTING MEMBERS:

Representative Derek Stanford

Chair, Joint Legislative Audit
and Review Committee

Pat McCarthy

State Auditor

Citizen Commission for Performance Measurement of Tax Preferences

Meeting Minutes

October 10, 2017

John A. Cherberg Building

Senate Hearing Room 3

Olympia, WA

Members Present:

Grant Forsyth

Ron Bueing (by telephone)

Justin Marlowe

Andi Nofziger-Meadows

Diane Lourdes Dick

Staff:

Keenan Konopaski

Marilyn Richter

Emily Schroeder

Ashley Elliott

Pete van Moorsel

Dana Lynn

Eric Whitaker

CALL TO ORDER AND WELCOME

Commission Chair Grant Forsyth called the meeting to order at 10:01 am.

The Chair welcomed everyone in attendance. (See TVW recording at [00:12](#))

1. Committee Business

a. Approval of September 7, 2017 Meeting Minutes

MOTION: A motion was made to approve the September 7, 2017 meeting minutes.

The motion was seconded and carried unanimously.

(See TVW recording at [00:20](#))

b. Chair's proposed revisions to the 2018 review schedule

Chair Forsyth and Legislative Auditor Keenan Konopaski discussed the proposed change with the Commission.

MOTION: A motion was made to approve revisions to the 2018 review schedule.

The motion was seconded and carried unanimously.

(See TVW recording at [01:03](#))

2. Discussion/Adoption of Commission Comments on 2017 Tax Preference Reviews

Green Group

Preferences in the green group are preferences where the recommendations of commissioners did not vary significantly.

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MOTION: A motion was made to endorse the Legislative Auditor's recommendations to:

- Continue **Coal-Fired Power Plant (Multiple Preferences)** without comment and **Sales of Manufactured and Mobile Home Communities (Real Estate Excise Tax)** without comment;
- Clarify **Electric Vehicle Batteries and Charging Stations (Multiple Taxes)** with comment and **Automotive Adaptive Equipment for Veterans and Service Members with Disabilities (Sales and Use Tax)** with comment;
- Review **Alternative Fuel Vehicles (Sales and Use Tax)** with comment;
- Terminate **Cogeneration Facilities and Renewable Resources (Public Utility Tax)** without comment and **Wood Biomass Fuel Manufacturing (B&O Tax)** without comment.

The motion was seconded and carried unanimously. (See TVW recording at [08:54](#))

Yellow Group

Preferences in the yellow group are preferences where the recommendations of commissioners varied slightly.

MOTION: A motion was made to endorse the Legislative Auditor's recommendations to clarify **State-Chartered Credit Unions (B&O Tax)** with comment. The commission did not endorse the legislative auditor recommendation for the following preferences and agreed to recommend to:

- Continue **Electricity for Electrolytic Processors (Public Utility Tax)** with comment.
- Clarify **Vessel Deconstruction (Sales and Use Tax)** with comment.

(See TVW recording at [10:30](#))

Red Group

The preferences in the red group are preferences that one or two commissioners have expressed a deviation of opinion from the majority.

MOTION: A motion was made to not endorse the Legislative Auditor's recommendation to continue **Electric Power Sold in Rural Areas (Public Utility Tax)** and would rather review and clarify with comment. The commission endorses the legislative auditor recommendation for the following preferences and agreed to recommend to:

- Clarify **Standard Financial Information (Sales and Use tax)** with comment.
- Review and clarify **International Banking Facilities (B&O Tax)** without comment.

(See TVW recording at [18:37](#))

Public Comment

The commission received public comment regarding State-Chartered Credit Unions (B&O tax).

Chair Forsyth disclosed that he was a member of Numerica Credit Union's audit committee for several year. (See TVW recording at [37:30](#))

Legislative Auditor Keenan Konopaski recognized a member of JLARC staff who will be retiring. John Woolley of JLARC staff has been Deputy Legislative Auditor since 2011 and has reviewed almost 180 tax preference during his time at JLARC.

Meeting adjourned at 10:59 am.