Citizen Commission for Performance Measurement of Tax Preferences

Meeting Minutes
June 17, 2016
John L. O'Brien Building
House Hearing Room E
Olympia, WA

Members Present:
William A. Longbrake  Ron Bueing
Lily Kahng  Grant Forsyth
Stephen Miller

Members Absent:
Senator John Braun  State Auditor Troy Kelley

Staff:
Keenan Konopaski  Rachel Murata
John Woolley  Ashley Elliott
Eric Whitaker  Erin Manning
Marilyn Richter  Dana Lynn
Emily Schroeder  Stephanie Hoffman
Pete van Moorsel  Stacia Hollar, AGO

CALL TO ORDER AND WELCOME
Commission Chair William Longbrake welcomed those in attendance and called the meeting to order at 10:03 am.

1. Action item: Approval of 5/20/16 meeting minutes
   MOTION: A motion was made to approve the May 20, 2016 meeting minutes.
   The motion was seconded and carried.
   (See TVW recording at 00:00:27)

2. Action item: Adoption of suggested adjustments to 2016 review schedule
   Deputy Legislative Auditor John Woolley discussed final amendments to the 2016 review schedule. JLARC staff were able to move some tax preferences from the alternate list to the full review list because they shared similar industry groupings with other preferences receiving full reviews.
   MOTION: A motion was made to adopt the 2016 review schedule with the adjustments.
   The motion was seconded and carried.
   (See TVW recording at 00:05:28)
3. **Staff briefing on ten-year schedule options**

   Legislative Auditor Keenan Konopaski reviewed the process staff used to determine a ten-year review schedule. Staff used guidance received from the commissioners at prior meetings to prioritize the preferences.

   Deputy Legislative Auditor John Woolley then walked the Commission through the draft ten-year review schedule. The guiding principles for determining year by year lists included:
   
   - Whether the preference was mandated or includes an expiration date?
   - Whether the preferences are from similar industry groups?
   - Whether the year by year lists included a similar number of preferences? (i.e. about 50 preferences per year)

   Preferences were moved to the expedited list if:
   
   - JLARC staff reviewed it in the past and no legislative action has occurred
   - The preference is deemed critical to the tax structure
   - JLARC staff reviewed the preference in 2016

   (See TWV recording at 00:05:48)

4. **Public comment – input for 2017-2026 ten-year review schedule**

   The Chair asked if any members of the public wished to testify. No one wished to do so.

   (See TWV recording at 00:21:40 and again at 00:47:45)

5. **Action Item: Discussion and adoption of 2017 – 2026 ten-year review schedule**

   The Commission discussed the 2017 – 2026 ten-year review schedule with the JLARC staff. Staff noted that it was based on industry groupings, and as with previous years assumed JLARC has the capacity for a minimum of 15 full reviews each year.

   Commissioners discussed preferences that might be considered “critical to the tax structure.”

   The Chair requested that staff prepare an annual summary of omitted preferences for the Commission to consider for 2018 and beyond. The Legislative Auditor agreed, noting that the Commission may need to consider timing constraints and available resources if they choose to add any preferences for full review from the omitted lists.

   The Chair and Legislative Auditor discussed how many more reviews staff could conduct each year with additional resources.

   **MOTION:** A motion was made to adopt the 2017 – 2026 ten-year review schedule.

   The motion was seconded and carried.

   (See TWV recording at 00:48:01)

6. **Other Commission Business**

   The Chair and Vice Chair reflected on their ten years serving on the Commission as their terms come to an end after this meeting, and wished the remaining commissioners and staff well as they continue on with their work. The remaining commissioners thanked both the Chair and Vice Chair for their service.

   Assistant Treasurer Wolfgang Opitz thanked the Chair for his service and read a letter from Treasurer Jim McIntire.
Legislative Auditor Konopaski read a letter from Governor Jay Inslee to Chair Longbrake thanking him for his service, and a letter from Senate Minority Leader Sharon Nelson and Senator Karen Fraser to Vice Chair Khang thanking her for her years of service on the commission.

Legislative Auditor Konopaski, on behalf of the JLARC staff, thanked both the Chair and the Vice Chair for their dedicated service on the commission.

(See TVW recording at 00:54:38)

The Chair adjourned the meeting at 11:05 p.m.