



Capitol Update

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News

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Initiatives on the November 2006 Ballot

The deadline for gathering signatures on measures intended for the November 7th general election ballot has passed, and at least two initiatives have qualified.

Initiative 920 – Estate Tax Repeal

This measure would repeal Washington's state law imposing a tax on transfers of estates of persons dying on or after the effective date of this measure. Washington currently imposes a graduated tax on the transfer of certain Washington estates having a taxable value of more than \$2 million. The revenues from this tax are deposited in the education legacy trust fund which is currently used to support a variety of education public school and higher education programs.

Initiative 933 – Government Regulation of Private Property

This measure would require compensation when government regulation damages the use or value of private property; would forbid regulations that prohibit existing legal uses of private property; and would provide exceptions or payments. This measure would require government agencies to consider the effects of and alternatives to regulating private property. Compensation would be required when regulations are enforced that damage private property use or value, including regulations prohibiting or restricting property uses that were allowed as of January 1, 1996. Exceptions would exist for regulations applying equally to all property subject to the agency's jurisdiction. Development regulations that would prohibit existing legal property uses would not be permitted.

A preliminary check of a sample of signatures submitted for **Initiative 917**, which would cap motor vehicle registration charges at \$30 per year, indicated that the measure would likely NOT qualify for a spot on the November ballot. The Secretary of State's office is now conducting a manual count of petition signatures.

Agreement Reached on Health Care Benefits for State Workers

Union officials representing about 60,000 state workers reached agreement with state negotiators on July 25 regarding health care benefits coverage for calendar years 2008 and 2009. Under the agreement, unionized state workers will continue to pay 12 percent of the cost of their health care insurance and will also receive a rebate check for \$756 on July 1, 2007. This same cost sharing will apply to all state employee eligibles for the PEBB plans.

Represented employees who are eligible for the PEBB healthcare in June 2007 will also receive a rebate check for \$756 in July 2007 as settlement of a grievance filed by the union coalition, stemming from language in the last negotiated contract. The one-time payment is intended to make up for unspent state money that had been dedicated to workers' insurance in the current contracts, according to Greg Devereux, the union's chief negotiator.

An error in the state's forecasting model for projecting healthcare costs directed more money during the 2004 negotiations to healthcare than was needed for the two-year contract. As such, less was available towards salaries and the healthcare reserve grew larger than anticipated. This settlement resolves that issue and returns the healthcare reserve to an appropriate level.

Tuesday's deal settles the dispute with one-time payment and new contract language specifying a percentage of health insurance costs employees would pay - not a dollar amount the state would contribute. Workers do not need to do anything to sign up for the rebate; it will be processed via the payroll automatically next July. Nonunion workers will not receive a check.

Another clause in the deal would make this year's 1.6 percent pay raise a one-time raise in existing contracts - permanent. State officials and union representatives are still negotiating separately for contract language on pay and workplace conditions which must be approved by October 1.

Olympia News and Notes

Representative Jim Clements (R-14th District) has decided to retire after serving six terms in the House of Representatives. The Selah Republican has represented the communities of Yakima, Union Gap, Selah, and Naches since 1994. Clements was twice elected caucus whip by his fellow House Republicans and earned the nickname the "Old Porch Dog" for his statesmanship and for the sage observations he made in committee meetings and on the floor of the House.

Representative Don Cox (R-9th District) has been appointed to a five-year term effective October 1 to the Spokane Community College District Board of Trustees. The Colfax Republican is the former superintendent of the Colfax School District and was appointed to the Washington House of Representatives in 1997. He won election to the same seat in 1999, and served on the House Education, Higher Education and Appropriations committees. Cox recently announced his retirement from the legislature at the end of his current term.

Former **Senate Majority Leader** and **Spokane Mayor Jim West** passed away on July 22 from complications arising from cancer surgery at the UW Medical Center. West who was 55, served in the state legislature for twenty years until stepping down in 2003 to run for Spokane Mayor. He won the mayoral election in 2003 but was recalled from office two years later by voters.