Fall 2019

Viewpoint

The quarterly magazine of Washington Policy Center

WILL OUR STATE'S SPENDING ADDICTION LEAD LAWMAKERS TO GIVE UP OUR COMPETITIVE ADVANTAGE?

Dept. of Labor imposes 50 percent wage increase on farmers p.11

WPC research reveals Sound Transit dishonesty with lawmakers and state Supreme Court p.10

Table of Contents

Mark your calendars for these WPC events!

2019 OCTOBER

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

2019 NOVEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

2019 DECEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

10/01 **Solutions at Sunrise**
- Spokane

10/04 **Hopfest Happy Hour: Economic and Agriculture Policy update for Washington State**
-Yakima

10/11 **2019 Annual Dinner & Young Professionals Annual Dinner**
-Bellevue

10/15 **Wenatchee Farm Hall**
-Wenatchee

10/24 **2019 Eastern Washington Annual Dinner**
-Spokane

11/14 **Tri-Cities Farm Hall**
- Pasco

11/21 **Eastside Breakfast**
- Bellevue

12/17 **Solutions at Sunrise**
- Tri-Cities

Viewpoint

The Quarterly Magazine of Washington Policy Center

Dear friend of Washington Policy Center,

Some of the issues in this edition of *Viewpoint* will sound familiar to you. The reason for this is no matter how many times the citizens of this state say “no” to an income tax, there are proponents seeking to find a moment of weakness in which they might get a “yes.” And if they can’t get it through the initiative process or the state Legislature, they seek to get it through the courts.

This keeps Washington Policy Center ever vigilant. We know this state has competitive advantages in not having an income tax. Even official state documents tout this advantage when trying to attract large companies into locating here. This means our refusal to have an income tax has been an advantage to attracting and retaining jobs, as well as for every family whose livelihood depends on a job located here because of that advantage.

Yet the struggle goes on. Most recently, the new Speaker-elect of the state House of Representatives has declared a capital gains income tax to be “back on the table” despite years of record revenue growth and the advantages of being income-tax free that are so widely recognized.

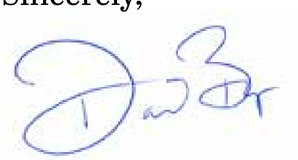
In this issue, you’ll read a column from the Washington State Treasurer, Duane Davidson explaining why any income tax is a problem for Washington. Treasurer Davidson was a speaker at our Solutions Summit last spring. This op-ed arises from conversations coming out of that gathering. The column is featured on our website and was published in *The Tri-City Herald*.

I hope you’ll take the time to read his considered view on the subject. And after you read it, I hope you’ll share this magazine with others. Give it to a friend or leave it at the doctor’s office. Help Washington Policy Center spread the word.

This edition also features a synopsis of Dr. Roger Stark’s analysis of international health care systems and how they measure up with the United States and news-making research from Mariya Frost that exposed dishonesty in our state’s largest transit agency.

The work you read about in *Viewpoint* would not be possible without your support. We are truly grateful to have you stand with us in promoting and defending free-market principles in our state.

Sincerely,



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Viewpoint is the quarterly magazine of Washington Policy Center, an independent Washington state-focused think tank.

Viewpoint is designed and edited by **David Boze** and **August Bress**

WASHINGTON
POLICY CENTER

IMPACT REPORT

A glimpse of the impact made possible by our loyal members so far in 2019

KEEPING SEATTLE HONEST

✓ We won a total victory in our public records lawsuit against the City of Seattle on its income tax legal memo. Seattle settled the lawsuit and paid our full attorney fees. The memo shows Seattle knew the income tax was illegal and imposed it anyway. The information WPC received from the lawsuit was later used in the court case against Seattle's illegal income tax.

PROTECTING FIRST AMENDMENT RIGHTS

✓ The Center for Worker rights has engaged in a state-wide, multi-media campaign to educate public workers on their Janus right to quit paying union dues for representation they do not want. As government unions and lawmakers coordinate to make it harder for public workers to exercise their new right, the Center is committed to helping protect the First Amendment rights of workers.

IMPROVING COMMUNICATION ACROSS THE STATE

✓ We saw significant progress in our efforts for remote testimony this Legislative session. The Senate voted to make remote testimony a permanent option for all state committee hearings and the House passed a resolution to study providing remote testimony next session.

PROMOTING EFFECTIVE ENVIRONMENTAL POLICY

✓ WPC's Todd Myers and our Center for Environmental Policy fought against a new carbon tax proposal and other efforts to increase the cost of living in the name of fighting climate change. In testimony and publications, Todd highlighted the cost and wastefulness of many of the policies. As a result, many of the most-costly policies died this session.

To support Washington Policy Center and be a part of making impact like this possible return the enclosed envelope with your most generous gift today. For any questions regarding membership contact our Development Director, Sydney Jansen at sjansen@washingtonpolicy.org or (206) 937-9691.

Supporter Spotlight: Carson Bowlin

2019 YP Advisory Board Vice-Chair

How have WPC and YP influenced your personal life or career?

"I've been involved with Washington Policy Center for 7 years and have found the organization to be a place that allows people to engage around ideas and solutions in a way that is collaborative and productive. This framework has helped me build bridges and relationships with people of different backgrounds and ideologies across the state centered on the idea of helping improve people's lives through sound public policy. The organization compels one to move forward towards action and to think about ways to craft a better future for our state."

Why does this cause matter to you? Why now in particular?

"More than ever, the presence of balanced free-market solutions is needed. It is the most sustainable approach to protecting the ongoing strength of our society moving forward and it is the most efficient way to improve peoples' lives and narrow the gap of opportunity within our communities. WPC is a strong advocate for free-market solutions within Washington State at a time when some may be swayed by a misunderstanding of socialism and the wasteful consequences of government expansion. To ensure our system's sustainability, there must be a balance between reasonable government involvement and the innovation, ingenuity and competition of a market-based economy."

What interests you most about this organization?

"Two things: The first is the ability to support and undergird our elected officials throughout the state. WPC produces topical and balanced research allowing elected officials to be well-versed and prepared to vote and engage with their constituents on specific issues that matter. Second is the Young Professionals program. I currently serve as the Vice Chair of the Young Professionals Advisory Board and chair the Events Committee. This group provides a conduit for education, networking and meaningful discussions with an engaged demographic who is actively asking provocative questions about government and is willing to challenge the status quo in pursuit of positive change.

What value do you think WPC brings to the state?

"There are few statewide organizations that have strong convictions in their ideas yet support productive dialogues with people of different ideologies. WPC allows ideas to compete and are willing to let lesser ideas fall away and others to win. No singular group has a monopoly on solutions and a diversity of ideas is necessary for our society to address difficult issues. This past year, the WPC Young Professionals hosted a moderated forum on homelessness that included participants from different ideologies and backgrounds focused on bringing solutions to a pressing issue. People are craving for a dialogue that is collaborative and constructive, allowing for a diversity of ideas where one can decide for themselves the best solution. Unfortunately, the present trend is the tendency across the spectrum to rely on a singular narrative that can't be challenged—again...no one has a monopoly on the best ideas, we need to continue to create and support spaces where a diversity of solutions-focused ideas can live and compete."

How does WPC empower members of YP in their professional/personal aspirations?

"Two ways: first, it's an incredible source of networking. No matter the industry you are in, there is someone to meet and someone to collaborate with in a meaningful way. Second, WPC offers a visibility in the policy formation and legislative process within our state and provides an important awareness into how these policies affect our personal and professional lives (transportation, education, taxation, etc)."

WPC's Young Professionals Gold Membership

When you join our YP's as a Gold member with a $100 donation you receive all of the same benefits as WPC major donors, which include:

1. Access to our research and publications, including our podcast, Sound Policy
2. Subscription to our quarterly magazine, *Viewpoint* and exclusive updates from our president
3. Invitations to private, hosted WPC events with WPC's key supporters, including Board of Directors and Pillar Society members, and national policy influencers and thought leaders
4. Member-only access to our mentorship program
5. Membership in a network of like-minded, free-market and solution oriented professionals

For more information or to join, contact Miranda Hawkins at mhawkins@washingtonpolicy.org or 509-624-4811

An income tax is not in our best interest

By DUANE A. DAVIDSON
Washington State Treasurer

Today, we are at a point where Washington legislators need to reexamine their financial practices and consider the consequences of their actions that have led some to consider establishing a state income tax.

The historically unpopular notion of introducing an income tax is not exactly new to Washington, yet it has seen growing interest from income tax supporters in big city government and from certain state lawmakers who would pass income tax legislation if given the opportunity.

As Washington State Treasurer, four-term Benton County Treasurer, and licensed CPA for over 25 years, I have cultivated an automatic sense of duty to advocate for fiscal responsibility. When I see such disregard for taxpayers, my obligation is to stand up for what is right on their behalf.

Many of the legislature's self-induced financial woes have readily available remedies that do not involve raising taxes or adding an income tax, making it apparent to me that as a state we have some serious financial issues within our legislative practices we need to start addressing.

A first step is controlling the state's outrageous appetite for debt. Now is the time to change our spending habits as a state, not to ask Washingtonians for more money and require them to pay a progressive income tax.

Our authorized unissued debt level is staggeringly high, equaling about half of our outstanding debt. If our debt levels are at all indicative to how we are doing as a state, it is not looking as good as one would hope.

Overall, Washington is a heavily debt-burdened state, with a total amount of outstanding debt and other financial obligations totaling close to $21 billion. Issuing increasing amounts of debt now to pay for projects down the road is not going to be a sustainable practice come the next economic downturn.

Another bad habit I would like to see break is the legislative practice of sweeping funds from our Budget Stabilization Account, commonly referred to as the state's Rainy Day fund, and the Public Works Assistance Account, which was established to help local governments finance infrastructure development.

Intended to be the primary account designated to fund capital projects, the Public Works Assistance Account repeatedly proves too tempting of a source to feed the General Fund.

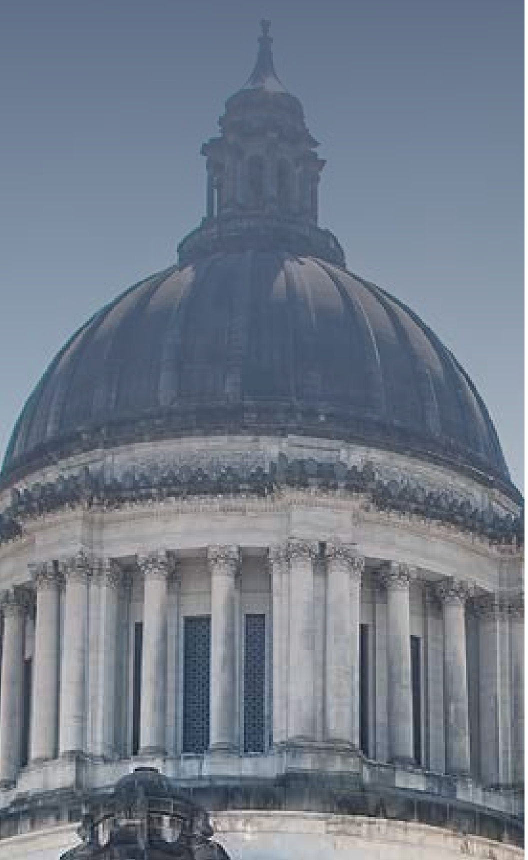
The irony is that we issue debt to pay for the type of projects this designated account should be funding. Every dollar in the Public Works Assistance Account should be used as intended, and under protection.

If you are wondering why the state issues so much debt when there are funds to cover much of which that debt pays for, the simple answer is because old habits die hard. It would take a constitutional amendment to protect this account from legislative sweeping.

Only a vote of the people amending the state constitution will ensure that funds in the account go to public works projects. Until such an amendment passes, I am afraid we will be stuck in a cycle of want and take, where the Legislature wants additional revenue to support its spending and they take what was set aside for local government public works loans and grants.

A state income tax is not the solution to this self-inflicted funding problem.

The truth is that introducing a state income tax would be a big step backward for the state of Washington, which recently received an upgrade for the first time ever to the highest possible credit rating of Aaa from Moody's Investment Services. This achievement is largely due to Washington's business-friendly tax structure, which continues to attract new and diverse business.



Creating an income tax now would actually threaten Washington's economy and diminish its attractiveness in the eyes of new business. If we are not careful, we could end up like Illinois where people are leaving in droves, according to an article published by The Pew Charitable Trusts, citing taxes as a leading cause for permanently exiting the state.

As with many states in recent times, Illinois ended up experiencing a trend in manufacturing jobs moving out of state. The businesses did not outsource to Mexico or Canada. In fact, many of them moved operations across state lines. One large forklift manufacturing company reported moving from Illinois to Indiana to save $1.5 million in taxes annually.

Businesses and citizens taking their tax dollars across state lines in search of better tax rates is not strictly a Midwest phenomenon. It is happening on the west coast just as often, and Washington is experiencing the effect.

One report that came out last year shows that from 2012 – 2016 more out-of-state newcomers to King County were from California than the rest of the top five states combined.

Recently, I met with several Clark County residents who told me the reason they moved to Washington was to escape California's overly burdensome tax structure.

California's state taxes are known to be among the highest in the country, which is one of the driving factors behind their relocating population. According to the Federation of Tax Administrators, before including the 1% California charges those making over $1 million, California had one of the highest top marginal tax rates in 2018 at 12.3%.

Back in Washington, for nearly 80 years, proposals for a state income tax have fallen flat. One Washington income tax proposal on high earners introduced in 2010 failed by a nearly 30% margin. The people of Washington have expressed clearly and repeatedly that they do not want to follow in the footsteps of California and adopt a progressive tax structure.

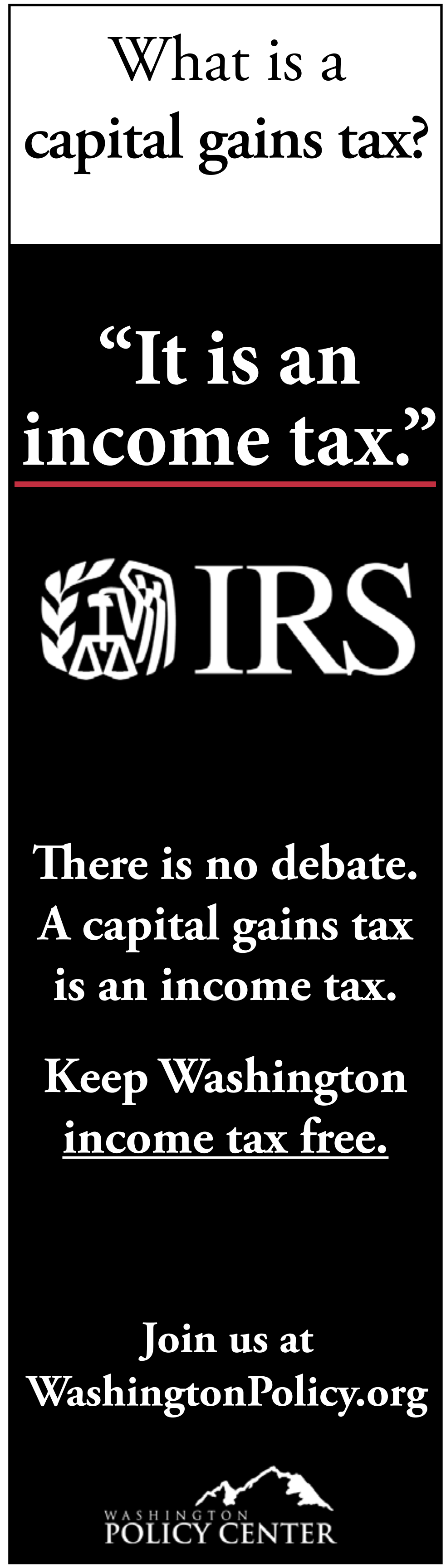
Washington actually saw a proposal in 2016, which if passed, would have completely upended our existing tax structure. Proposed as a solution to the state's education funding gap, this 5% state income tax failed to gain much support in the Legislature.

Drastically reactive solutions like this are typically not well received and certainly not what we need. I suggest that instead of looking for new ways to collect additional revenue from our already heavily burdened taxpayers, we take steps to improve Washington's habits.

Taxing income would weaken Washington's thriving economy and reduce our capacity to compete for business. We need to agree on improving our habits and reigning in state debt before considering the addition of new taxes. An income tax is not in our best interest.

Duane Davidson was elected as Washington's 23rd State Treasurer in 2016. Prior to that, Duane was elected to four terms as Benton County Treasurer, serving from 2003 – 2014.

He spoke on an income tax at WPC's 2019 Solutions Summit and this information was part of his presentation.



WPC ad that ran in *The Seattle Times* informing citizens on the proposed Income Tax

Study shows building road capacity has a widespread economic benefit

By HON. MARK HARMSWORTH,
WPC Research Fellow and former State Legislator

You've heard the dogma from the anti-growth crowd stating we "just can't build our way out of congestion" because it's too expensive or futile, but what if that isn't the case? What if, after all the rhetoric and hyperbole, we actually could build the capacity we need to get people moving and see a net benefit to our state's economy?

The National Bureau of Economic Research (NBER) has released a new study by economists Treb Allen and Costas Arkolakis, called "The Welfare Effects of Transportation Infrastructure Improvements." The paper surmises that there are potential gains in economic benefit and congestion relief from the addition of highway capacity. The basic idea is that better highways lower the total costs of moving goods and services between destinations.

The researchers built a model that shows that the cost of construction to add capacity to around 7,000 routes between 900 U.S cities was soon made up in the economic benefit and efficiencies in the system.

In other words, adding more lanes would reduce the trade costs of delivering goods to market.

Where the roads are built obviously affect the return on investment through saved time and additional reduced freight costs. The study demonstrates the "gains of adding 10 additional lane-miles range from $10 to $20 million for three quarters of the highway segments," but, "substantially larger gains for segments within metropolitan areas and along important travel corridors, with the returns exceeding $500 million for two highway segments in the New York City metropolitan area. "

This economic benefit of adding capacity is either not understood or willfully ignored by the Washington State Department of Transportation (WSDOT).

The agency has taken an approach of managing, rather than relieving, traffic congestion. Agency officials state that their goal is to reduce, rather than accommodate, trips (think costly tolls, less cars, and more buses and expensive light rail).

In fact, WSDOT officials have confirmed they have stopped measuring statewide traffic delays, despite having a statutory obligation to reduce traffic congestion. This is short-sighted and has significantly increased the cost of traffic congestion on working families in the Puget Sound region over the last several years.

Worse still, the head of WSDOT, Secretary Roger Millar, has given up on fixing congestion and says congestion "is a problem we just can't solve."

In justifying his statement that congestion is a problem that cannot be solved, Secretary Millar argues that it would cost WSDOT $115 billion to get everyone moving on 451 additional lane miles at the posted speed limit (60 mph) at all hours of the day. Spending $115 billion to add 451 miles of roadway across Washington would be incredibly valuable for both working families (the majority of whom depend on an automobile for competitive access to employment) and freight movers. It would be far more valuable, in fact, than spending close to $100 billion including debt service to lay down 62 miles of rail to serve fewer than 3% of daily trips in 2040. But, economic benefit is largely ignored because it undermines the smart growth narrative.

WSDOT's own, occasional efforts to reduce gridlock demonstrates their position on traffic congestion relief is not true. The agency's decision to allow vehicles on the northbound I-405 hard shoulder during the afternoon peak period is one great example. After WSDOT opened the peak-use shoulder lane between SR 527 and I-5, 500 more vehicles were able to travel on I-405 during the afternoon peak hour (4PM to 5PM), and at faster speeds, as there were fewer vehicles per lane per hour. Faced with penalties if they did not reduce congestion in the express toll lanes, WSDOT found a way to do it. When congestion relief benefited the agency, they provided it.

The Puget Sound Regional Council (PSRC) planners admit that congestion will only get worse in the coming decades. Despite acknowledging the data, they still advocate for spending billions more of our money on mass transit and transit-oriented development rather than on roads. This defies logic and shows the group-think our agencies are immersed in.

Ironically, the policy of trip reduction rather than trip accommodation can only end in more traffic congestion, which hurts everyone. To benefit from transit, more people will need to live closer to where they work, increasing population density and real estate demand. This also increases the need for products and services in a given area, requiring additional freight movement, increasing congestion still further. These conditions exacerbate the social stratification we already see between those who can and those who cannot afford to live near employment centers.

The WSDOT policy, advocated for and supported by its leadership and groups like the PSRC, shows that the agency has effectively given up on its primary responsibly to provide a transportation system that encourages freedom of movement for all road users. Fortunately, there is another way.

The NBER study shows that the economic and mobility benefits of capacity far exceed the cost of construction and maintenance. Rather than dismissing the benefits of accommodating trips, WSDOT should be honest and perform a complete cost-benefit analysis of strategically adding capacity in Washington State to justify its position. The agency's agenda-driven approach to managing congestion rather than adding capacity to improve speeds for commuters and freight needs to be reconsidered.

Washington Policy Center

YOUR ELECTION RESOURCE

Stay informed on the key issues on the ballot this November with WPC's Citizen's Guide publications.

Visit WashingtonPolicy.org for Citizen's Guides covering:

STATEWIDE ISSUES

- **Initiative 976**, to reduce how much drivers pay in yearly vehicle fees and taxes
- **Referendum 88**, a measure to approve or reject I-1000 concerning the use of affirmative action by public officials in public education, employment, and contracting
- **SJR 8200**, the Washington Government Continuation Legislation for Catastrophic Incidents Amendment

LOCAL ISSUES

- **Spokane Proposition 1**, to end secrecy in public negotiations with government unions
- **Spokane Proposition 2**, to ban an income tax in the City of Spokane

Do socialized health care systems in other countries offer a model for the United States?

By DR. ROGER STARK
Health Care Policy Analyst

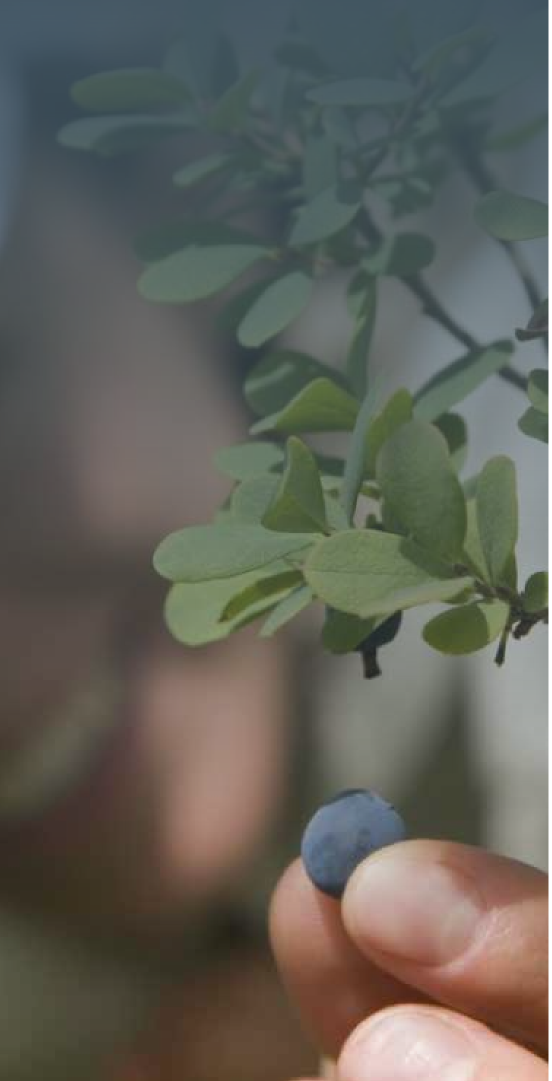
Key Findings

1. The United States has a complex health care delivery system composed of private and government funded insurance plans.
2. Other countries have a much more uniform health care delivery system that began with planned, top-down government control.
3. The United States spends far more on health care than other industrialized countries.
4. Looking to other countries to solve our health care delivery system problems may not be reasonable. Other countries are smaller than the U.S. and have more homogenous populations.
5. The demand for health care far outstrips the money budgeted for it in all other countries and rationing of medical care by the government is common. Some patients are denied care to save money.
6. Just as in the U.S., every other country faces the demographic problem of an aging population and a decreasing work-force to pay taxes for their seniors' health care.
7. While the U.S. does spend more on health care than other industrialized countries, the U.S. also leads the world in financing medical innovations.
8. While universal health insurance coverage is the goal of other countries, the critical point is utilizing the best mechanism to allow the greatest number of Americans access to health care.
9. Just like in all other economic activities, the private free-market offers the best solution to provide the greatest access to health care and to control costs.

For more information on this subject, the full Policy Brief is available on washingtonpolicy.org. Dr. Stark also has written an op-ed on this subject, "Health Care Systems in Other Countries: Would They Work in the United States?" which ran in The American Spectator on August 28th, 2019.

What about the workers?

By PAM LEWISON,
Director, Initiative on Agriculture



This summer the Department of Labor imposed a 50 percent wage increase for blueberry pickers in Washington state and made national headlines.

The increase bumped the piece rate for pickers from 50 cents a pound to 75 cents a pound in addition to the agreed upon hourly wage. For blueberry producer Zirkle Fruit in Selah, the increase prompted a lawsuit against the Department of Labor. The fruit producer did not take issue with the wage increase but rather the methodology of the data collection that led to the increase.

A U.S. District Court judge temporarily stopped the wage increase pending a trial.

In the event the wage increase is reinstated, the only losers will be the people who pick the blueberries because the important job they do will likely be mechanized in the years to come to save money. According to news stories, Zirkle Fruit hired approximately 2,750 guest workers via the H-2A temporary agricultural worker program to harvest blueberries for the 2019 season. Including the 50 cent per pound piece rate, Zirkle workers are being paid approximately $17 an hour. It is important to remember Zirkle employs local workers in addition to its H-2A workforce. All blueberry pickers in Zirkle's employ would be affected by the piece rate wage hike.

Additionally, Zirkle Fruit reported a 100 percent return rate of their 2018 guest workers for the 2019 season. Much has been made about the unfairness of the H-2A program and how it sets workers up in poor conditions. Zirkle Fruit is clearly not part of the problem. They are part of the solution. A 100 percent return rate of guest workers should be celebrated as a model of what agricultural businesses should do to encourage positive working conditions for all their employees, foreign and domestic.

According to their estimates, the change in piece rate pay would add approximately $1.4 million in wage costs to Zirkle's budget. The additional wage costs represent a significant economic impact to their larger business model.

The potential increase in wages means finding another method for harvesting blueberries. It means looking toward mechanization and, potentially, putting an end to the person-driven jobs Zirkle provides annually during the blueberry harvest.

A 2016 report noted mechanized blueberry harvesters could cost up to $200,000 to purchase but the cost pales in comparison to the $1.4 million in wage increases represented by the piece rate wage increase instituted by the Department of Labor. The drawbacks to mechanized harvesters are the lack of human touch, intuition, and the risk of increased fruit bruising that comes from a machine doing the work. It seems reasonable to infer Zirkle has preferred the benefits of hand-picked blueberries providing superior fruit to their customers but sustainability of their hand-picked blueberry operation upon which their blueberry pickers depend must also be part of the larger consideration process when looking at such a wage increase.

The Department of Labor justified the piece rate increase based on data collected from 54 farms with an average of 33 workers each by the Employment Security Department (as part of its prevailing wage survey). When compared to the scale of Zirkle's blueberry picking workforce, 33 workers is out-of-touch for a prevailing wage data collection average. That was the genesis of Zirkle's suit against the Department of Labor.

For now, the wage increase will be set aside in a trust while lawyers continue to determine if the increase is legal. The limbo for Zirkle's workers means their ability to make a living may be put in jeopardy because of poor decision-making by a state agency.

WPC research reveals Sound Transit dishonesty with lawmakers and state Supreme Court

By MARIYA FROST,
Director, Coles Center for Transportation

Sound Transit's had a terrible, horrible, no good, very bad week in early September, and it could get worse for the state's largest and most powerful transit agency.

WPC research revealed that the transit agency has been dishonest with the public, lawmakers, Attorney General, and the Supreme Court about their "obligation" to collect car tab tax overcharges using a repealed 1996 valuation. The agency drafted the incorrect depreciation schedule into statute in 2015, authorizing the agency to collect an additional 0.8% motor vehicle excise tax (MVET) based on this old schedule – even though the agency is using a 1999 valuation.

With no backing from the state Attorney General's office (which admitted their error and pulled out of presenting at oral argument one hour before the court hearing) Sound Transit's arguments appeared to fall flat before the Supreme Court justices.

New information

We now suspect the agency's lawyers/underwriters may have made this same mistake in their bond contract that was issued in 2016 against the Sound Transit 3 sales tax increase and car tab tax of 0.8%. From page 13 of the contract:

> ***Tax Base and Method of Collection.*** The values of motor vehicles are determined by statute. So long as the 1999 Prior Bonds are outstanding, the value of passenger vehicles and the percentages are prescribed by a statute in effect at the time Sound Transit first imposed the 1996 Motor Vehicle Tax. Currently, passenger vehicles generally are valued at a percentage of the manufacturer's suggested retail price. Those percentages decline based on the number of years the vehicle is in service. Once the 1999 Prior Bonds are no longer outstanding, the valuation of passenger vehicles and percentages are prescribed by a statute as currently in effect, which generally values passenger vehicles at a percentage of the latest purchase price of the vehicle. The 1996 Motor Vehicle Tax and the ST3 Motor Vehicle Tax do not apply to certain exempted classes of vehicles, including commercial trucks and rental cars.

The bond contract refers to a valuation that was prescribed by statute in effect at the time Sound Transit first imposed the 1996 Sound Move MVET of 0.3%. The MVET was imposed in 1997, using the 1996 schedule. Sound Transit did not start using the 1999 schedule until after the passage of Referendum 49 in 1998, which triggered the change in July the following year.

In other words, unless there is a legal loophole I'm not aware of, both the 2015 statute and 2016 bond contract regarding the ST3 car tab tax – are wrong. Sound Transit is not using the depreciation schedule either document refers to.

This matters on several fronts:

1. Sound Transit lawyer Desmond Brown argued before the Supreme Court that "the depreciation schedule is a necessary and explicit part of our bond contracts." Apparently, it isn't – because the depreciation schedule referenced in the 2016 bonds is not being used.
2. Sound Transit's former CFO Brian McCartan argued before the Senate Transportation Committee in 2017 that Sound Transit is "contractually obligated to maintain the depreciation schedule while the [1999] bonds are outstanding." By Sound Transit's logic, it would then follow that Sound Transit is contractually obligated to maintain the depreciation schedule while the 2016 bonds are outstanding also – except they refer to the wrong depreciation schedule that is, in no way, tied to the MVET the bonds are backed by.
3. Sound Transit also argued before the Senate Transportation Committee that they chose to use the "old valuation" for the Sound Transit 3 car tab

tax increase so they would not be in the position of imposing two separate valuations on the same piece of property (car). But according to what is written in the 2015 law and in the 2016 bond contract, that is exactly what Sound Transit is doing. The Sound Move car tab tax uses the 1999 valuation, and the Sound Transit 3 car tab tax is under the 1996 valuation.

It is difficult to believe Sound Transit officials, who spend millions in public money on legal counsel, could have made this mistake.

The agency's argument for the last three years about why they cannot provide relief to the public by simply switching to a new and fair vehicle valuation method is that the law and bondholder contracts are ironclad and dictate that they must continue to use the old valuation.

We now know this is not true – either by way of additional dishonesty or simple incompetence on the part of the transit agency.

Sound Transit has no excuse to withhold tax relief, except for one – they don't want to.

Legislature continues funding discrimination against charter school families

By LIV FINNE, Director, Center for Education

Key Findings

1. Since voters approved public charter schools, 14 schools have opened, four have closed, and five more will open next year.
2. In 2020, charter schools will serve about 4,000 students attending 15 schools.
3. Every year Washington's charter schools expand to meet strong parent demand for these successful schools.
4. Washington's charter schools are especially popular with minority and low-income families.
5. Washington's charter schools have waiting lists exceeding 1,000 students.
6. Washington's charter schools give low-income, minority students a better school option, especially in urban districts with failing traditional schools.
7. School officials deny charter school families access to a share of local levy funding, around $2,300 per student, about 17 percent of operating revenue for most schools.
8. Charter schools are also denied access to public school buildings, so they are forced to pay rent.
9. Academic results and consistent public support show that Washington's charter schools have more than proven their worth in providing key benefits to families.
10. Lawmakers should end the policy of funding discrimination against charters, remove arbitrary limits placed on them, and respect the choices of parents and teachers in giving every child the best education possible.

For more information on this subject, the full Policy Brief that includes a list of all the new charter schools opening over the next year is available on washingtonpolicy.org

New report advocating destruction of Snake River dams is unscientific and inaccurate

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According to a new report by ECONorthwest, households in Fresno, California and Butte, Montana are willing to pay $40 a year to destroy the four Lower Snake River Dams, whether they can find them on a map or not. People in Los Angeles, they claim, will flock to Tucannon to enjoy the, now undammed, Snake River.

Based on a badly biased study from Save Our Wild Salmon – a group that openly advocates the destruction of the dams – the study's authors claim that people across a five-state region would be willing to pay billions to remove the dams and recreation in Southeast Washington would dramatically increase.

The study, however, is founded on inaccurate and unscientific claims and research. Here are just a few of the most significant flaws.

Badly biased survey language

To determine how much people would be willing to pay to remove the dams, ECONorthwest used a public opinion survey from Save Our Wild Salmon (SOWS), an environmental group dedicated to destroying the Snake River Dams. That bias is obvious in the wording of the question: "Removing four dams on the Lower Snake River would restore wild salmon and improve water quality, but might lead to a slight increase in electricity costs. Would you be willing to pay an additional ____ on your electric bill in order to ensure that wild salmon would be protected."

The question promises destroying the dams would "restore wild salmon" in exchange, there "might" be a "slight increase in electricity costs." This fundamentally disingenuous (and inaccurate) question is the foundation of the study.

ECONorthwest admits its survey language is false

The question not only includes slanted language, it is inaccurate. NOAA Fisheries released its recovery plan for Snake River Chinook in 2017, noting that destroying the dams would not guarantee recovery. NOAA's study points out that the dams "are very close to achieving, or have already achieved, the juvenile dam passage survival objective of 96 percent for yearling Chinook salmon and steelhead migrants."

What's more, ECONorthwest's own narrative admits the language of the question is false. ECONorthwest researchers write that "the chance of meeting the recovery goals is estimated to be approximately 20 percent higher with dam removal for spring/summer Chinook." Although the survey question says destroying the dams would "ensure that wild salmon would be protected," ECONorthwest admits it would increase chances of recovery by a mere 20% (this claim is also dubious, but we will set that aside).

The study's key finding is based on a claim their own narrative admits is false.

Study assumes people in Seattle, San Diego, and Idaho Falls are the same

The SOWS poll surveyed 400 people in Washington state in 2018. ECONorthwest, however, applied the results to "a five-state region is evaluated that includes Washington, Oregon, Idaho, Montana, and California." The assumption is that if someone in Seattle says they will pay $40 a year to destroy the dams, that must also be true of people in Fresno, Kalispell, and Bend. This would not be acceptable in any professional poll.

In the same way we wouldn't believe a "statewide" poll that only surveyed people from Yakima, it makes no sense to assume that people in San Diego have the same willingness to pay as people in Seattle for an issue in

Washington state. This is why presidential pollsters run separate surveys for the entire U.S. and battleground states like Iowa. They understand that geography is not fungible. ECONorthwest does not.

Recreation claims have been disproven

The report claims destroying the Snake River dams would cause a significant increase in recreation in towns like Tucannon. The claims are based, in part, on a 1996 study that claimed removing the dams on the Elwha River would "would result in 500,000 more visitor days to the area per year from U.S. residents alone, with associated expenditures of $43.8 million per year. These expenditures were expected to support 446 additional jobs in the county." The dams were removed in 2014, so we can test these claims.

Visitor data show that recreation visits to the Elwha District of the Olympic National Park in 2015, after the dams were removed, were almost identical to 2009, when the dams were still in place. Contradicting the projection cited by ECONorthwest, there was no increase in recreation once the dams were removed.

Ironically, in 2016 the number of recreational visits fell to zero as the previously dammed river washed out the road. The number increased a little in 2017 but went down to zero again in 2018.

This also gives us the opportunity to see if the loss of recreation had a negative impact on jobs. If removing the dams increased recreation and employment, the complete elimination of recreational visits should have reduced the number of jobs in Clallam County. The data contradict that claim.

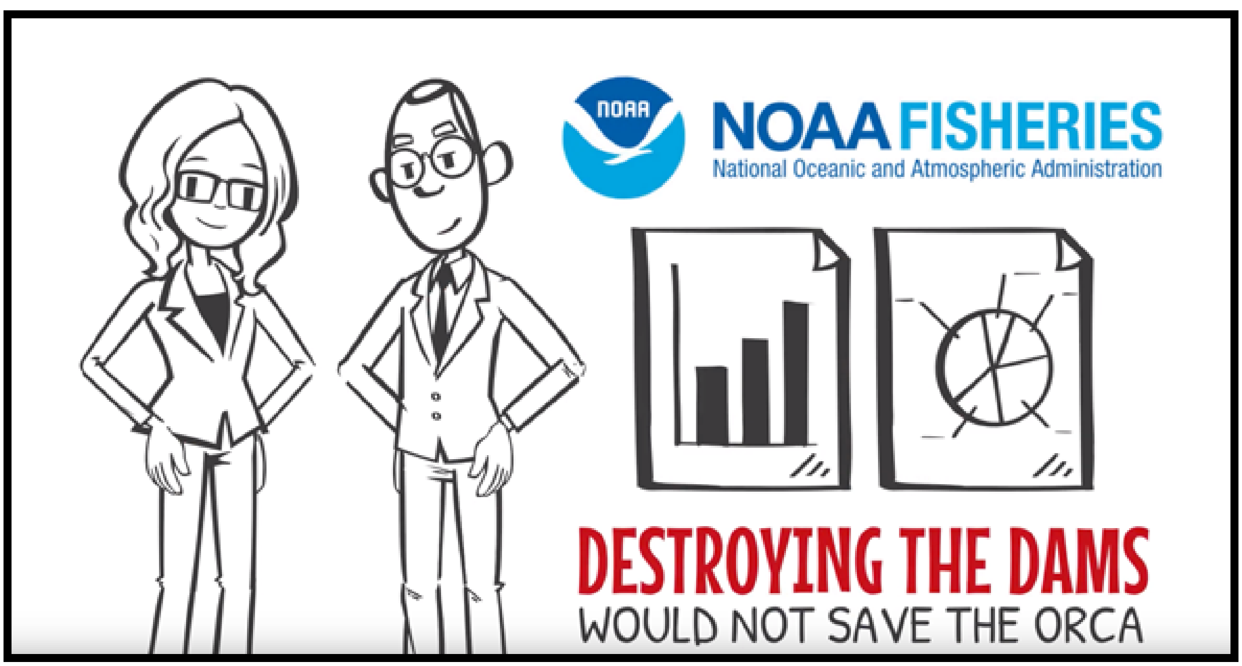
In 2015, there were a combined 957 jobs in Clallam County for the NAICS codes covering recreation, agriculture, forestry, hunting, and fishing. Although this includes more than just recreation-related industries, we can see if there is a noticeable impact on jobs in the county, even if the exact magnitude is unclear. Rather than declining the number of jobs increased in 2016 to 992. The same trend was true in accommodation and food services. As recreation visits on the Elwha fell to zero, the number of hotel and restaurant jobs increased from 2219 to 2339.

Rather than losing jobs when recreation went to zero, as the ECONorthwest study would imply, the number of jobs increased. Real-world data contradict the 1996 they rely on.

An irresponsible study

There are many other flaws. The problems outlined here, however, are enough to demonstrate the uselessness of this report. Worse, it encourages politicians waste resources on dam removal that will do little for salmon, steering money away from projects that would meaningfully improve salmon habitat and populations.

Encouraging policymakers to waste real dollars and damage our electrical grid with vague, but inaccurate, promises of salmon recovery and billions of theoretical dollars is simply irresponsible.



Watch WPC's short animated video "Save the Puget Sound orca! Keep the lower Snake River Dams" at washingtonpolicy.org or on any of WPC's social media channels.

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