



B R I E F L Y

The legislature is scheduled to go into special session on May 17th.

The 1999-2001 transportation budget is the major business unfinished from the regular session.

The legislature may also consider one component of Gov. Locke's salmon recovery plan and reforms to the state unemployment compensation system and the market for individual health insurance.

Unfinished Business

State lawmakers approved a \$20.6 billion operating budget for the next biennium, but having failed to pass a transportation budget before adjournment, the legislature is scheduled to go into special session on May 17.

In calling legislators back to Olympia "for a period of not more than one week," Gov. Gary Locke said that though the Legislature passed a 1999-2001 operating budget, the \$3.9 billion transportation budget was left undone.

Besides transportation, the governor also wants lawmakers "to pass a teacher-testing bill and a bill calling for a professional standards board for teachers." Additionally, Locke called for the legislature to "continue working on a plan to save wild salmon stocks so the state will not be subject to federal intervention and third-party lawsuits."

It's possible reconvened lawmakers will take up issues other than those the governor has singled out for consideration. Business groups would like to see legislation dealing with unemployment insurance and health-care insurance passed, provided the various interested parties can resolve their differences without prolonging the session.

On the issue of salmon recovery, business interests support efforts to create a salmon recovery funding board, and they back passage of legislation giving timber companies tax breaks or cash compensation for trees left uncut on stream banks to protect fish.

The main issue, however, is the state transportation budget. While the budget proposed by the House would have directly distributed cash to local governments, the Senate's would have required cities and counties to apply for specific project grants, according to a Senate Democrat spokesman. Also, there has been ongoing controversy about the Legislative Transportation Committee, composed of 12 representatives and 11 senators. Senate Democrats favor eliminating this joint committee, since both houses have standing transportation committees.

Unemployment insurance tax rates are an issue that has split the business community for some time. Some businesses pay more in UI taxes than their former employees receive in benefits, while for other employers it's the reverse. SB 5558 would have revised the tax rate schedule to reapportion the burden of "socialized" costs. The bill also would have forced businesses using seasonal employees to shoulder the cost of their unemployment benefits.

The ills besetting the market for individual health insurance finally commanded the attention of legislators this year: In 17 counties individual policies are no longer sold. Washington's largest individual insurer no longer accepts new applicants. And only two significant carriers remain in the market. But the legislation aimed at stabilizing this market, SB 6067, was too complex



and divisive to gain acceptance during the regular session.

As for salmon recovery, nothing got passed during the regular session. The governor and the timber industry, however, hope lawmakers will adopt the “forest and fish” component of Locke’s recovery plan during the special session. The governor felt the votes were there in the regular session, but time ran out.

In return for foregoing timber harvests in wider bands along 60,000 miles of streams in 8 million acres of private forestlands, forest landowners would receive a 0.75 percent harvest tax credit beginning January 2000. In five years, the credit would rise to 1 percent. Small forestland owners would be receive between 50 percent and 100 percent of the value of trees left standing in riparian buffers.

The legislature included \$112 million for local salmon recovery projects in the 1999-2001 capital budget, but made those funds contingent on creation of a salmon recovery board. If lawmakers decline to create such a board during the special session, the funds disappear from the budget.

Senate and House bills creating a board were heard during the regular session. Testimony supporting SB 5595 noted that 13 state agencies are spending more than \$600 million on salmon and water protection. A board, it was said, is needed to evaluate which salmon recovery projects are most effective, assign them priority and monitor them once implemented.