



Rep. Rodney Tom

R-Bellevue

To the citizens of the 48th District

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Rules

Important phone numbers:

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- State Agency Information
1-800-321-2808
- Attorney General (Consumer Protection)
1-800-551-4636
- Insurance Commissioner
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1-800-562-6900

Dear Friends and Neighbors,

Thank you for taking time to read my newsletter – I hope it finds you well.

The 2005 legislative session ended on April 24 and I wanted to take this opportunity to provide you with a quick update on some issues I feel are important to the citizens of the 48th district.

This session saw a lot of bills that will help move our state forward in important ways. Unfortunately, it also saw some missed opportunities.

*I entered public service with the belief of bringing **a balanced, common sense, solutions-oriented approach** to the Legislature. This will continue to be my philosophy as long as I'm your state representative.*

*One place I feel it's particularly important to apply this mentality is with our state budgets. **Legislators are the stewards of your tax dollars and need to be fiscally responsible with the people's money.***

*Beyond our state budgets, we must continue to find ways to **improve public education, ease traffic congestion, restore faith** in our **elections system, increase access to health care, and create an employment climate** that makes Washington **competitive nationally and globally.***

*I'm truly honored to be your state representative. I want to thank all of you who contacted me this session with your ideas and concerns – I really appreciate it. **Your thoughts were valuable** in helping me solidify my positions on nearly 2,600 pieces of legislation I had to consider this session.*

Please contact me if you ever have any questions, comments, or concerns.

Best of success,

Rodney Tom

Rodney Tom
State Representative





Concerns with our state operating budget

Washington's budgets are developed on a biennial basis, meaning every two years legislators must pass a state operating budget. This budget comes from your tax dollars and other revenues, and pays for state expenses associated with public schools, higher education, human services, government and judicial operations, and other special appropriations.

Legislators had the benefit of **\$1.7 billion more in new revenue this budget cycle** compared to the last biennium. This provided **an opportunity to pass a budget without raising taxes**, and still be able to fund an additional \$1.7 billion of new programs. Unfortunately, the majority party – which controlled the budget process – didn't choose this path. Instead, it chose to **increase state spending by 12.4 percent – or \$2.7 billion.**

My biggest disappointment was in how the budget process was handled. Most voters send us to Olympia to work in a bipartisan manner, with Republicans and Democrats working together. This year the Democratic majority decided to completely leave Republicans out of all budget discussions.

Our lead Republican on budget negotiations didn't learn about the Democrat budget proposal until after they held a news conference on it. **I believe citizens expect more from their elected officials than turning Olympia into a partisan battleground.**

Budget gimmicks

There were several **budget gimmicks** that further add to citizens' pessimism and mistrust of what we are trying to accomplish in Olympia.

For example, the majority party magically **postponed payment** on over \$325 million of pension obligations, pushing them off to the next biennium.

They also **transferred \$138 million out from the student achievement account (I-728)** to the general fund.

Then, they **raised taxes by \$138 million** for the student achievement account, saying the taxes were necessary for the children's education.

We would not have had to raise these taxes if they wouldn't have transferred the money out in the first place!

It's these kind of "Enron" **accounting gimmicks** that drives citizens crazy and impedes our efforts to truly finance education at a world class level.

A dwindling emergency reserve account

Another major area of concern is our **lack of an emergency reserve account.** We started this year with over \$619 million in our reserve account – it is now down to \$175 million because \$444 million was transferred out to cover non-emergency operating expenses in this budget.

This would be like you using your savings and stock portfolio to pay for groceries.

With the fragile nature of our economy, any major disaster could cause great harm to our state and its economy. **We should be adding to our reserve account instead of completely gutting it.**

I believe **our budget directly impacts our economy** and helps position us for the future. **This new budget will take us backward on employment growth** and is fiscally irresponsible.



Funding our state's 'paramount duty' of education

There were some positive aspects to the budget that I'm proud of – especially in the area of education and funding for our colleges and universities.

Education is the state's paramount duty. In my mind, **this means fully funding a world class education system for our children first and foremost.** We should never have to raise taxes for education if education dollars are the first monies spent in our budget process.

We need to go back to the "Priorities of Government" budget process that was so successful in producing a no-new-taxes budget this past biennium.

We could have passed a fiscally responsible, no-new-taxes budget this year that fully funded **I-728 (class room size)** and **I-732 (cost of living for teachers)**, while still providing 10,000 new slots for higher education.

To the citizens of the 48th District

Will the estate tax impact you?

The estate tax – or, as some people call it, the “death tax” – is a **tax on the assets and wealth of an individual**. It will apply to estates of \$1.5 million or more this year, and \$2 million or more beginning next year.

The **estate tax rate** starts at 10 percent and can extend all the way **up to 19 percent** depending on the value of your estate.

This tax is estimated to generate around \$135 million in revenue over the next two years, which gives you an idea of the burden it will cause family members who have lost a hard-working loved one.

The state Supreme Court shot the estate tax down in February, but it was revived by the majority party in the Legislature – and our governor signed it into law.

I voted “NO” on this tax. Whether you agree or disagree with an estate tax, **I believe it is a federal issue.** Washington will be one of only two states that impose this tax.

One way to avoid this tax is to move out of state. I don’t believe that we should force a lifetime resident of this state to move out of their home just prior to their death.

I encourage you to contact your attorneys and financial advisers if you think it may impact you and your family. If you are interested in the details of this legislation – **Senate Bill 6096** – please visit: <http://www.leg.wa.gov/wsladm/billinfo1/bills.cfm>

Real estate excise tax loophole closed

A real estate excise tax is imposed on sales of homes and properties. The state tax rate is 1.28 percent and additional local rates are allowed.



There have been cases when real estate has been transferred through a limited liability corporation (LLC) in an attempt to avoid paying the real estate excise tax. The practice

is illegal, but our disclosure laws made it impossible to discover.

I was the prime sponsor of a bill that passed this session which helps address this problem by closing the loophole. **House Bill 1315** authorizes the disclosure of information related to real estate excise taxes. **This bill does not create a new tax** – it simply opens up information to the public so we can verify the tax was paid.

The real estate excise tax should be **fairly applied to large transactions, as well as small transactions.** We shouldn’t create an environment in which taxpayers are tempted to cheat. Our past disclosure laws did just that.

Addressing our condominium liability crisis

I’ve been working on the condo liability crisis issue my entire three years in the Legislature. I’m proud to say a bill passed this session that **gives consumers and builders hope for the future.**

Condo construction in our state has slowed to a near standstill, despite a red-hot real estate market. The primary reasons are construction defects and ensuing litigation.

House Bill 1848 will help ease the state’s condominium liability crisis and **ensure quality construction and affordable housing.** It offers a new approach by providing construction companies and insurers **incentives to work together to build better quality structures.**

In the end, **consumers will benefit most from these changes.** Everyone involved with this problem agreed that new condos shouldn’t leak and that reputable builders shouldn’t face frivolous lawsuits. This bill helps address both issues.

The decline of the condominium market has also threatened **the state’s goal to expand home ownership opportunities for low-income families and growth management.**

With the projected low availability of single family homes in the Puget Sound area in coming years, the passage of this bill becomes even more important. Here on the **eastside, condos are particularly crucial to meeting that housing demand** and offering affordable options.

Building stronger public schools

Funding our public schools and programs

As a product of Washington’s public schools, I believe in the schools, teachers and students of this state. **My paramount duty as your legislator, as outlined by the state constitution, is the education of our children.** I take this mandate very seriously.

I was part of a bipartisan House of Representatives work group this past year that studied the way we finance public education in the state. Specifically, we sought



to determine if our finance structure is aligned with our new, rigorous academic standards.

After public meetings, presentations from education advocates, and

close study, the group determined that **our public education finance system needed a comprehensive finance study to reform our current funding structure.**

Senate Bill 5411 authorizes the much talked about education finance study which will **ensure our children are prepared for the high-tech, global economy** that awaits them.

Capital budget a victory for public education

Our capital budget provides money for the construction and repair of public buildings, long-term investments, and local governments. This year’s budget is a **big step forward for public education** – both K-12 and higher education.

In this year’s **\$3.09 billion capital budget**, we’ve effectively **reversed a trend of underfunding K-12 and higher education construction** – and public schools will benefit for years to come. Part of this commitment includes \$619 million in state matching funds for state assistance to school construction, and \$890 million for higher education projects.

The **48th District will also receive around \$750,000** earmarked for a few projects.

Rep. Rodney Tom *To the citizens of the 48th District*

A missed opportunity for true election reform

Our latest governor's election exposed some **serious problems in our election systems – especially in King County.**

Elections are an important component of our democracy. While elections may never be perfect – it doesn't mean we can't continue to look for ways to improve our processes.

The most important thing is that **voters have their faith restored in our voting systems.**

Legislators came to Olympia in January with a lot of good election reform ideas compiled from their constituents. There seemed to be a genuine willingness to address our problems head-on in a bipartisan fashion.

The Legislature ended up passing two election measures – **Senate Bills 5499 and 5743** – but they **fall short of meaningful reforms.**

I supported some amendments to these bills that would have addressed many of our most serious election problems. In the end, nearly all were defeated. Each of these amendments offered a **common-sense approach** – ideas constituents told me they were in favor of – and **in no way created a barrier for the eligible voter.**

Some of these amendments included:

- Requiring photo ID at polls.
- Ensuring that every vote has a voter.
- Requiring proof of citizenship at time of registration.
- Ensuring absentee and vote-by-mail ballots are valid before being counted.
- Stipulating that voter conduct – not presumed voter intent – be used to determine a vote.

Addressing our transportation problems – now, not later

We continue to face **serious transportation problems** and they are only getting worse. This **hurts our economy** because it slows down the transport of goods and services, not to mention the inconvenience that being stuck in traffic imposes on all of us.

For two decades now, we've put off funding much-needed transportation projects. Now, it has caught up with us and **we must take care of it before it gets worse.**

I voted **"yes"** on a transportation funding package (**Senate Bill 6089**) that will generate over **\$8.5 billion** for much-needed transportation projects around our state. The funding package includes a 3 cent increase this year in the gas tax – and an additional 6.5 cents phased in over the next four years.

There are valid concerns in raising the gas tax at a time when gas prices are already high. However, there's a distinct difference between tax increases for government bureaucracies and increases in spending for **vital infrastructure improvements.**

Infrastructure improvements are an investment in our future that will pay dividends for many years to come.


Transportation package great for 48th District

In the **48th District**, we are **fortunate in the amount of funding we'll be receiving for projects – over \$808 million**, which is nearly 10 percent of the total package. I'm a little disappointed in the amount allocated to the **SR 520 bridge replacement** (\$500 million versus \$1.5 billion in the original House proposal), but most of the diverted money is going to **I-405**, which is another vital corridor in our district.

In the end, **voters will have a say on this measure** through the Regional Transportation Investment District (RTID) process. A public vote will be necessary to complete the funding package for the three counties making up the Puget Sound core.

None of the major projects funded – **Alaska Way Viaduct, SR 520 bridge replacement, I-405 expansion**, and new **SR 167 interchange** – can be started without a citizens' "yes" vote on a regional transportation package.



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