



2018 SESSION REPORT

SENATOR DOUG ERICKSEN

representing Whatcom County's 42nd Legislative District

SESSION SCORECARD: Big Wins for Washington



Fast-growing state economy generates record tax collections – and shows success of fiscally responsible leadership in the Senate over the last five years.



Protected rural property values by preserving the right of rural property owners to drill new wells for household use.



Approved more than \$4.6 billion in public works projects statewide, including important projects for Whatcom County.



Defeated the governor's energy tax, which would have driven up the cost of electricity and gasoline.



Stopped a proposed income tax on capital gains that would have set the stage for a general income tax.



Protected the initiative process, stopping legislation that would have created new obstacles for ballot measures, thus preserving the people's right to pass direct legislation via the ballot.



Improved safety. We approved measures that address the root causes of violent behavior, by increasing funding for mental health programs and creating a task force to improve school security.



Fighting for jobs in Whatcom County and Washington state

Dear friends and neighbors,

Our 2018 legislative session ended March 8 with victories for the working families of Whatcom County and the state of Washington.

We **protected rural wells**, preventing disaster for property owners and Washington's rural economy. We **funded important projects** for our area. And we **blocked enormous tax increases** that would have created hardship and damaged job creation statewide.

Most important of all, we witnessed the success of five years of bipartisan leadership in the Senate, as a booming state economy produced **record tax collections** — \$2.3 billion more than anyone predicted a year ago. **We did it without raising taxes.**

Today our challenge is keeping the state on the right track. By working together, we can promote new manufacturing jobs at Cherry Point and protect our agricultural industries. We can build a strong economy that will give us the resources to meet our biggest challenges.

I hope you will join with us in advancing this vision of prosperity and progress. I want to hear your views about state government. I am honored to serve the people of the 42nd district, and to represent you in Olympia.

Sen. Doug Ericksen

Contact us!

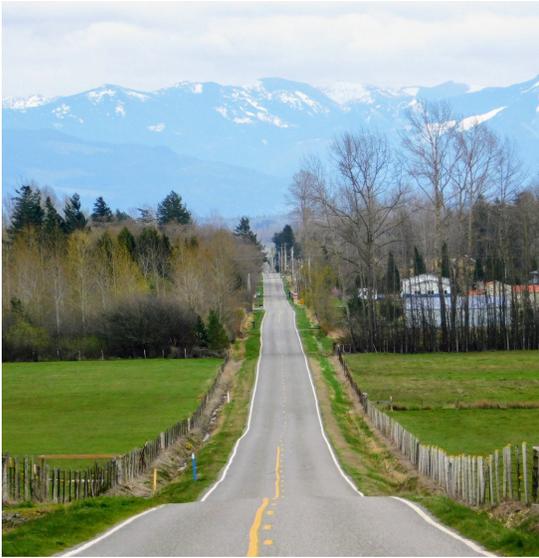
The legislative session is over, but we work for you year-round. If you have a problem dealing with a state agency, or wish to share concerns about a state-government issue, please do not hesitate to contact my office. We are here to serve you!

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Protecting household wells and rural property values

Water is flowing again for thousands of rural property owners across the state as a result of legislation approved this year. A 2016 state Supreme Court ruling created near-impossible requirements for new household wells. The *Hirst* decision brought rural development to a halt in many parts of the state, including Whatcom County, and put Washington at risk of a \$37 billion collapse in rural property values.

This was no easy compromise. We faced indifference from some urban lawmakers, some environmental groups and other special interests. Only because Republicans insisted on a solution did negotiation take place.

It was the best deal we were likely to strike this year, and we must remain vigilant to ensure this legislation is implemented by Whatcom County as the Legislature intended. **Our Hirst fix** provides relief for rural property owners and their communities, for schools and taxing districts, and for efforts to develop affordable housing statewide.

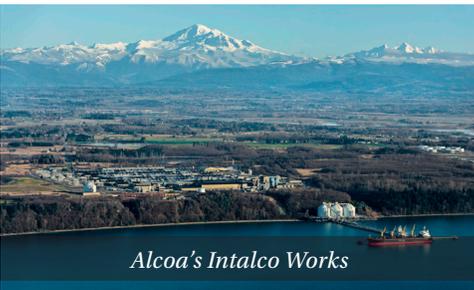
Bellingham waterfront cleanup advances

Redevelopment of Bellingham's waterfront got a big assist from this year's Legislature. The state public works budget provides \$6 million for cleanup at sites along the bay. This will help the port and city realize our community vision of public space and new commercial development. Other cleanup projects approved this year include \$900,000 for restoration of the Blaine Tank Farm.

Projects like these give us a triple bang for the buck. We improve the environment, create thousands of jobs in cleanup, and put properties back into productive use. In the Legislature I have led efforts to put cleanup first, and prevent diversion of money to less-important purposes.



Cleanup efforts prepare former Georgia Pacific site for redevelopment.



Alcoa's Intalco Works

Protecting manufacturing jobs at Cherry Point

Alcoa's Intalco Works, the nation's largest aluminum smelter by capacity, is the last operating smelter in the Pacific Northwest. One of my top concerns is ensuring its future. This year's public works budget creates a program that provides new opportunities for the facility. Thanks to the hard work of many, a facility once on the brink of curtailment is now focused on increased stability and production, providing nearly 700 family-wage jobs for the people of Whatcom County.



Birch Bay

Million-dollar appropriation for Birch Bay Community Park

The new Birch Bay Community Park got a million-dollar boost from this year's public works budget. Money will help reimburse Whatcom County for the purchase of 13.2 acres in the heart of the community. The park's central location and beach access will make it an important asset for our region.



Blaine's Exit 274

Blaine's Exit 274 gets planning money

We're working to improve traffic access in Blaine by adding a southbound off-ramp to **Exit 274** at the southern entrance to the city. This project will enhance local plans for economic development. This year's transportation budget provides \$550,000 in planning money and sets the stage for future construction.

Ericksen proposes \$1 billion property tax cut

This year the Legislature was awash in taxpayer money – the result of our effort in the Senate these last five years to keep taxes low and improve our business climate. Our economy will generate \$2.3 billion in additional tax collections over the next four years. Meanwhile, a new school-financing system we adopted last year is forcing a temporary \$1 billion increase in property taxes for 2018 – a sudden shock for homeowners across the state.

I sponsored legislation in the Senate (**SB 5439**) that would use this windfall to eliminate the one-time property-tax “spike.” Our efforts in the Senate made property tax relief one of the biggest issues of the year.

Unfortunately, our colleagues were more interested in increasing spending than in giving the people their money back. Though the final budget provided some property tax relief, it was meager and misdirected. Taxes will be reduced only \$400 million, and the cut will come next year, after the crisis has passed. Compounding the problem, the final deal deducts the money from the state’s emergency reserves.



Legislature erodes taxpayer protections



The Legislature learned an important lesson in the last recession. Runaway spending and unwise budgeting practices left the state unable to cope with a sudden downturn in tax collections. We said “never again.” Our emphasis on fiscal responsibility allowed the state to prosper.

Unfortunately, a new Democratic majority in the Legislature this year repeated many of the mistakes of the past. Its first act in the Senate was to eliminate a requirement in Senate rules for a **two-thirds vote on tax increases**. This year’s budget spends nearly every dime in state coffers and provides no meaningful tax relief.

Most troubling was our colleagues’ decision not to make a scheduled \$700 million deposit to the **state Rainy Day Fund**. The governor’s own Council of Economic Advisers warns of an 88 percent chance of recession in the next five years. This decision leaves the Rainy Day Fund with an amount equal to just 2.5 percent of the state’s \$44 billion operating budget – hardly an adequate reserve against emergencies. Prudent, sustainable spending should be our priority -- especially in good times.

Major tax increases are defeated

Though the state didn’t need the money, big new taxes were a major subject of debate in this year’s Legislature. Stopping them was one of our biggest successes.

Energy tax: The governor and his allies proposed a stiff tax on energy that would have added 30 cents to a gallon of gas and forced dramatic increases in electricity prices. Climate change was the excuse, yet this \$3.3 billion tax would have had no measurable impact on weather patterns, ocean conditions, snowpack, forest fires or any other harm cited by its supporters. Worse yet, in a bid for political support, the governor’s bill (**SB 6203**) exempted every major industry that generates carbon – leaving the middle class to pay the bill. Republicans and sensible Democrats worked together to defeat the tax, clearing the way for more thoughtful carbon proposals in the future.

Income tax: Washington voters have said no to an income tax nine times since 1934, but advocates of higher taxes and spending keep trying. This year they pushed a new tax on capital gains income, a narrow type of income tax that would set the stage for a larger income tax in the future. This capital gains income tax (**HB 2967**) was included in the House budget proposal, but Republicans worked with Democrats to quash it in the Senate.



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Legislature funds important public works projects for Whatcom County



Whatcom Community College Learning Commons

A **\$35 million building for Whatcom Community College** heads the list of new projects for our area approved this year. The new Learning Commons will house the school library, a computer lab and other functions.

Other important projects approved this year include:

- **Northwest Washington Fair:** \$1.8 million for the new Washington Agricultural Center, to provide exhibition and meeting space.
- **Blaine sewers:** \$1.2 million to extend sewers to planned developments in East Blaine.
- **Unity Care NW:** \$750,000 for new non-profit Ferndale clinic
- **Sylvia Center for the Arts:** \$334,000 to help complete the downtown-Bellingham performing arts center.
- **East Whatcom Regional Center:** \$125,000 for the Maple Falls facility, which houses Head Start and preschool programs, and provides public meeting space.
- **Pepin Creek:** \$3 million to relocate the channel in Lynden.
- **Slater Road Bridge:** \$5 million in loans to replace a culvert at Jordan Creek that impedes fish passage.
- **Squalicum Waterway:** \$750,000 for maintenance dredging.
- **Swift Creek:** \$4 million to reconstruct the channel to improve flow and reduce concentrations of naturally occurring asbestos.



Washington Agricultural Center