



SENATOR

# Debbie Regala

E-Newsletter - 27th District, Tacoma

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**27th Legislative District**

**January 28, 2011**

Dear Neighbors,

I write to you three weeks into the 2011 Legislative Session. I would bet most who receive this e-newsletter are those who follow state politics. It should then come as no surprise that the Legislature is immersed in discussion regarding efficient and sustainable solutions for an almost \$5 billion budget shortfall in the coming biennium.

As the session continues I'll use my e-newsletter to keep you informed about our budget writing process and major policy issues being addressed. The focus this time is:

- How we got to where we are
- Can we fill the budget deficit by closing tax loopholes?
- Better regulation of medical marijuana — a strong local interest
- State of the state
- Historic changes to Senate budget rules
- Sharing the sacrifice

You can check out my [blog](#) for information on other issues of interest.

Also, remember to check out the SDC [podcast](#) 'In the Loop' for a summary of the week's events or visit us on twitter [@WASenDemocrats](#). A tip for twitter users,

follow [#waleg](#) to see what else people are saying about the Washington State Legislature!

I will work my hardest on sustainable solutions in Olympia.

Sincerely,



Sen. Debbie Regala

27th Legislative District

Phone: 360.786.7652

Email: [regala.debbie@leg.wa.gov](mailto:regala.debbie@leg.wa.gov)

Web: [www.sdc.wa.gov/senators/regala/](http://www.sdc.wa.gov/senators/regala/)

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### **How we got to where we are**

The Legislature is required to develop a balanced biennial budget.

When the Legislature left Olympia last April, we had the required balanced budget which included a 'rainy day' fund and a reserve. Because of our state's heavy reliance on sales tax revenue, when people are not spending, our revenues decline. Due to the economic uncertainty for many people in our state, spending slowed considerably and our projected revenues continued to decline significantly each quarter.

Our reserves and rainy day fund were depleted. Because of this, Governor Gregoire first had to ask all agencies to reduce their budget by 6.3% and submit those reduction plans to her. Upon request from the Governor, legislative leadership came together to find some areas where additional cuts could be made and quickly implemented. Many of those reductions were authorized during the December special session in order to help balance the budget for this fiscal year which ends in June 2011.

Currently, we are continuing work to write the supplemental budget for this fiscal year. During normal years this process entails a few tweaks to adjust for caseload changes or make other minor changes to the budget. This year that process has included the reduction decisions made in December and will require further reduction decisions which are now being made.

The sad reality is those cuts were not the final round. As we to write the 2011-2013 Operating Budget, more cuts will have to be made. As you know, the Governor has recently released her [proposals](#) for a balanced budget in the next biennium and efficiencies in government for the future

Voting to make cuts does not come easily for me. I talk with citizens of our district daily. I hear the voices of those who are unemployed, the working poor and other folks who rely on some type of state service for their family's well being. I will continue to try to fight for the most vulnerable among us but we are facing one of the most economically stressed periods of our lifetime and there will be no easy solutions.

### **Can we fill the budget deficit by closing tax loopholes?**

Many constituents have urged me to 'close corporate tax loopholes' and 'take action to raise revenue' in lieu of cutting the programs and services they consider essential. Please believe me when I say I would prefer not to make many of the proposed cuts. However, voters were quite clear in November and have left the Legislature with few options.

In our own 27<sup>th</sup> District, 56 percent of the voters approved the repeal of the minor taxes on candy, gum and soda, and 59 percent of the 27<sup>th</sup> District voters rejected an income tax on higher earning taxpayers. Further, 55 percent of voters

in the 27<sup>th</sup> District said approval of any new revenue source to the state, including the closure of 'tax loopholes' (or adjustments to tax preferences, etc.) should require a two thirds positive vote of both chambers of the Legislature. These messages from voters were even stronger statewide.

I am not averse to looking for new revenues to support state programs or services. I will be sponsoring/supporting legislation that increases user fees in some specific areas. At the request of the Department of Fish and Wildlife I have introduced [Senate Bill 5385](#) which increases various user fees relating to hunting and fishing licenses.

For the third year I will also be sponsoring/supporting the elimination of a preferential tax rate from 1939 which no longer makes sense — [SB 5528](#). This tax preference is a deduction in the motor vehicle fuel tax paid by fuel distributors due to evaporation or spillage during delivery. Many practices have changed in this industry since 1939 and this preference no longer makes sense. In 2008 this tax deduction was reviewed by the [Joint Legislative Audit and Review Committee](#) and recommended for elimination. However we have been unable to garner the required two thirds support for the measure in both chambers. Maybe the third time will be the charm.

It is important to know that even if we can identify and pass legislation to reduce or eliminate some of these 'tax preference' significant cuts and reductions in services will still be required. The work to close the budget gap will require many different strategies.

**Better regulation of medical marijuana — a strong local interest**

Our state has struggled with the question of how to make medical marijuana available to patients who need it. Due to confusion about what current law allows unregulated dispensaries are appearing throughout the state, particularly in our district. In some counties, dispensaries are being tolerated. In others, they are raided by law enforcement, and their owners are arrested and charged with felonies.

In 2008, the Washington Department of Health published an in-depth report, *Patient Access to Medical Marijuana in Washington State*, which highlights problems with our current law:

- Washington's medical marijuana law does not provide a legal source for marijuana. This means patients and providers must break the law and risk their liberty and safety to access a supply. It also means that assuring the safety and consistency of the quality of the marijuana is not possible.
- The possibility of arrest and prosecution is a major obstacle to safe medical marijuana access. The stress of arrest and possible prosecution may cause preexisting health problems to worsen. Currently, our law provides only a defense that a patient may raise at trial – after being arrested, prosecuted, and forced to defend against criminal charges in a public proceeding.

To address these issues Sen. Jeanne Kohl-Welles introduced [SB 5073](#), supported by nine other senators, including myself, from both sides of the aisle and state. Those legislators have a wide diversity of backgrounds from a police officer to a nurse. As the prime sponsor, Sen. Kohl-Welles is to be applauded for the years of work she has dedicated to this issue and her solicitation of input from a broad range of stakeholders. The goal is to improve the medical marijuana law on behalf of patients and their communities.

SB 5073 would establish a state regulated system of licensed producers, processors, and dispensers. The system would be overseen by the state Departments of Agriculture and Health. Local governments would be free to adopt zoning regulations regarding siting of these entities, and advertising would be restricted. Such a system would be a major improvement over the current patchwork of unregulated entities that serve as the only practical source of medical marijuana for many qualifying patients.

The bill proposes to protect qualifying patients who comply with the law from being arrested and prosecuted. They would be treated no differently than patients who rely on prescription medications to help maintain their quality of life.

I am publishing an editorial piece regarding this matter with Dep. Mayor Lauren Walker in Sunday's Tacoma News Tribune. Keep an eye out for it.

### **State of the state**

In an effort to help set the tone for the 105-day legislative, Gov. Chris Gregoire identified three priorities for moving forward in her annual state-of-the-state address: creating a stable, financially secure path for our future; recognizing government cannot do it all; and transforming government into a leaner, 21<sup>st</sup>-century organization that is more effective and efficient.

These are laudable goals, but it will be up to the Legislature to make the pieces fit and improve on her proposals wherever possible. The governor has started the budget process but the final proposal is developed by the Legislature.

It will take hard work from all corners of government to keep our state on course as we weather the Great Recession.

## **Historic changes to Senate budget rules**

On the first day of session this year, we took a historic step to improve feedback and input as we develop a budget solution for the state's growing revenue shortfall: We voted to end a 96-year-old requirement that amendments to the operating budget offered on the Senate floor need to be approved by a supermajority in order to pass.

This is the most significant change the Senate has made to its own rules in nearly a century with strong support from both sides of the aisle. This means budget decisions can be made by a simple majority of the Senate and will give all members of the Senate ample opportunity to weigh in on the budget from the perspective of their various districts and needs.

At a minimum, this change will improve bipartisanship and dispel partisan gridlock. At best, it has the potential to help us agree on a budget faster and avoid a costly special session.

Policy committees are combing through their budget issue area and budget chair Sen. Ed Murray is welcoming everyone to participate in writing the budget — that includes members from both sides of the aisle and every member whether they are on Ways and Means or not — an unprecedented practice.

## **Sharing the sacrifice**

One of the ways we'll be balancing the budget this year is by asking public servants throughout state government to take pay cuts in addition to those previously mandated. To make sure this sacrifice is shared fairly, legislation has been proposed in a constitutional amendment that reduces legislative pay and the pay of other elected officials to the same degree.

The reason it requires a constitutional amendment — and a related ballot measure on the next general election — is because we need to change the current state law that prohibits reductions in the pay of elected officials. You can read more about it [here](#) and [here](#).

If at any time you decide you no longer wish to receive updates from me, please go to <http://apps.leg.wa.gov/subscriptions/member.aspx?member=regala> to remove your name from the list.

**Washington Senate Democratic Caucus**