

Washington state's
chamber of commerce

Association of Washington Business

Don C. Brunell
President

November 27, 2007

The Honorable Christine O. Gregoire
Governor, State of Washington
P.O. Box 40002
Olympia, Washington 98504-0002

RE: Property Tax Special Session

Dear Governor Gregoire:

The Association of Washington Business (AWB) supports the special session to reinstate Initiative 747 and commends you for addressing this topic in a timely and efficient manner. AWB is the statewide chamber of commerce and manufacturing and technology association representing more than 6,600 employers of all sizes and types around the state. Our members, owners of residential, industrial and business property, understand the complex reasons for rising property taxes. The varied causes include rapid growth in property values in some real estate markets, infrequent property reevaluations, voter-approved levies, and expanding local government budgets.

Washington's property tax system was built on sound tax principles. In particular, we believe that the state is well served by a policy of "uniform" assessment of property at 100 percent of fair market value, coupled with meaningful constitutional and statutory limits.

In calling the special session, you are asking lawmakers to reverse the State Supreme Court decision overturning the one percent cap in Initiative 747 and to create a new program for lower-income citizens. Neither bill is available for our review at this writing.

AWB supports reinstating the Initiative 747 one percent cap and eliminating excess banked capacity created by the Court's decision. The limit has been in place for some time, has

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worked reasonably well, and has the support of the general public. It also meets the constitutional requirement for uniformity.

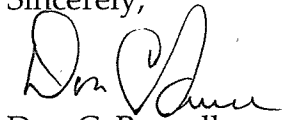
We recognize that Initiative 747 does not accomplish everything you, or we, may look for in comprehensive tax reform. In the coming legislative session, we would be pleased to have the opportunity to work with you on additional property tax legislation that would bring relief and stability to property owners without unduly burdening local government. As you may know, we have spent considerable time working with the Department of Revenue and advocates from the low-income housing community to address some of their concerns, which we hope can be successfully addressed in the 2008 session.

A one-day special session, however, offers little opportunity for the thoughtful consideration to tax reform we believe is necessary. Therefore, we believe the special session should be limited to addressing the Supreme Court decision on Initiative 747. We will not be supporting other property tax measures at this time.

AWB is committed to working with your office and the Legislature to adopt meaningful property tax reforms for all taxpayers. For more information on our recommendations, please contact AWB's Tax Policy Director Amber Carter at 360-870-2915 or amberc@awb.org.

Thank you.

Sincerely,



Don C. Brunell

President

Cc: Speaker of the House, Rep. Frank Chopp
House of Representatives Minority Leader, Rep. Richard DeBolt
Senate Majority Leader, Sen. Lisa Brown
Senate Minority Leader, Sen. Mike Hewitt