



WASHINGTON FARM BUREAU
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LegisLetter

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Activities of the Legislature affecting farmers and ranchers in Washington state

February 20, 2009

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First Cutoff Date of 2009 Session Arrives

This week the House marked a key deadline for bills to be out of policy committees, while the Senate deadline is next week.

For the most part, if a bill has not passed from a policy committee to the Rules Committee or a fiscal committee, it is no longer eligible for further consideration. But there are always exceptions. Transportation and fiscal matters have later deadlines, and any matter necessary to implement the budget is exempt from the deadline. That means anything that costs money or saves money can still be considered alive.

This session, Washington Farm Bureau has tracked more than 300 bills that could affect farmers and ranchers in some manner.

You will notice that the bill tracking list will be greatly reduced because of the committee cutoff deadline. Only active, or “alive,” bills will be tracked and reported weekly in LegisLetter.

If bills are revived under any of the exceptions to cutoff, they will be added back into the active tracking list that will be distributed with LegisLetter. “Dead” bills that we have tracked can be viewed or downloaded in Microsoft Excel or PDF format at www.wsfb.com/issues/legisletter.

ACTION ALERT - B&O Farm Tax

On Feb. 6 legislation was introduced in the Senate ([SB 5911](#)) that has the potential to seize the agricultural engine of our state.

Beneath the seemingly innocuous title, “Adopting the recommendations of the citizen commission for performance measurement of tax preferences” SB 5911 would make farms with gross receipts of \$200,000 or more subject to the state’s business and occupations (B&O) tax.

The B&O tax rate for wholesaling activities is currently 0.484 percent of sales. SB 5911 would also repeal the existing sales tax exemption for farm equipment auctions conducted on the farm.

Agriculture has been exempt from B&O and the sale of farm equipment has been exempt from sales tax for a simple reason: farmers need to be able to keep farming in order for people to eat.

This bill is targeting farmers and has nothing to do with repairing the budget or streamlining taxes as the Governor and some in her camp would suggest. The bill was referred to the Senate Ways & Means Committee — the very one that all three sponsors of the bill — Sens. Craig Pridemore (D-Vancouver), Phil Rockefeller (D-Bainbridge Island) and Adam Kline (D-Seattle) — serve on.

As of 9 a.m. today (Feb. 20), the Committee Chair, Sen. Margarita Prentice (D-Seattle), has not yet scheduled SB 5911 for a hearing. We need your help to keep it that way.

ACTION ITEM

If you live or operate in the district of a member who sits on the Senate Ways and Means Committee, Please contact your Senator’s office and tell him or her to vote “no” on bringing SB 5911 before the Committee for a hearing and “no” on voting it out of Committee with a “do pass” recommendation. Note: The prime sponsors of the bill have been excluded from the list below as efforts should be focused where we can make a difference.

Prentice, Margarita (D-Seattle), Chair	(360) 786-7616
Fraser, Karen (D-Olympia) Vice Chair, Capital Budget Chair	(360) 786-7642
Tom, Rodney (D-Medina) Vice Chair, Operating Budget	(360) 786-7694
Zarelli, Joseph (R-Ridgefield), Ranking Minority Member	(360) 786-7634
Brandland, Dale (R-Bellingham)	(360) 786-7682
Carrell, Mike (R-Lakewood)	(360) 786-7654
Fairley, Darlene (D-Lake Forest Park)	(360) 786-7662
Hewitt, Mike (R-Walla Walla)	(360) 786-7630
Hobbs, Steve (D-Lake Stevens)	(360) 786-7686
Honeyford, Jim (R-Sunnyside)	(360) 786-7684
Keiser, Karen (D-Des Moines)	(360) 786-7664
Kohl-Welles, Jeanne (D-Seattle)	(360) 786-7670
McDermott, Joe (D-Seattle)	(360) 786-7667
Murray, Ed (D-Seattle)	(360) 786-7628
Oemig, Eric (D-Kirkland)	(360) 786-7672
Parlette, Linda Evans (R-Wenatchee)	(360) 786-7622
Pflug, Cheryl (R-Issaquah)	(360) 786-7608
Regala, Debbie (D-Tacoma)	(360) 786-7652
Schoesler, Mark (R-Ritzville)	(360) 786-7620

Former Farm Bureau Leader Appointed Agriculture Director

Rep. Dan Newhouse (R-Sunnyside) officially began his new role as director of the Washington State Department of Agriculture Wed. Feb. 18. Governor Gregoire announced his appointment to the cabinet post Feb. 13.

Newhouse has stepped down from his fourth term as a state representative. No stranger to agriculture, Newhouse has served as a past county board member and county president of the Washington Farm Bureau; president of the Hop Growers of Washington; president of the Hop Growers of America; and is an Ag Forestry Leadership program graduate.

“Dan Newhouse will serve the farmers and ranchers of our state well in this new role,” said Steve Appel, president of the Washington Farm Bureau. “As a farmer, he has a firsthand understanding of agriculture; and as a state legislator he has a unique understanding of the policy issues facing the agricultural community in our state today.”

Rep. Newhouse and his family operate a 600 acre farm in the Sunnyside area, where they grow hops, tree fruits, grapes, and alfalfa. His father, Irv, was longtime senator whose name hangs on the state Senate office building. Newhouse, the son, is a graduate of Washington State University, where he earned a Bachelor of Science degree in Agriculture Economics.

“I am excited about this opportunity to bring a farmer’s perspective to this agency, as well as a diverse point of view to the Governor’s cabinet,” Newhouse said. “My commitment is to do what I can to ensure that we, as a state, provide an opportunity for agriculture to be a successful industry.”

Gregoire has directed Newhouse to focus on developing strategies to expand international markets for our state’s agriculture products. The Governor has also asked Newhouse to work with the state’s Department of Ecology to identify new water sources for Eastern Washington communities, farmers and fish.

“We will miss Dan’s contributions as an advocate for Ag in the Legislature, but we are very excited at the prospect of what he can do for agriculture as the Department Director. Farm Bureau congratulates the Governor on her astute appointment,” said Appel.

“Dan is a great person who is a strong leader in the state’s agriculture community,” said Valoria Loveland, former Department of Agriculture Director. “He is familiar with the legislative process and very aware of the issues our state’s farmers, producers, and processors face, and is a perfect choice to lead the department.”

Washington’s Department of Agriculture is charged with assuring the safety of the state’s food supply, ensuring the safe and legal use and disposal of pesticides and fertilizers, protecting the state’s natural resources, and facilitating the movement of Washington’s agriculture products in domestic and international markets.

Get Retro Bill is a Partisan Political Attack

Every session, there are a few purely partisan, anti-business bills introduced. The Get Retro bill, [SB 6035](#), is such a bill. The bill is a partisan attack on business associations, in retribution for their unanimous support of Sen. Rossi in the last election that is masked as a “Sunshine bill.” It is interesting to note that the House has declined to introduce companion legislation.

Days before SB 6035 was introduced, L&I announced that a review of the retro program, which is due to make a report in July, found an accounting error that caused retro programs to receive approximately \$10 million more each year than they should have. L&I plans to collect this amount from retro programs from 2005 to present, because those retro contracts are still open. There is nothing for the Legislature to do about this issue: a problem was found, it was corrected, and a full report is due this summer. But bill sponsors are asking for more audits. They should audit themselves - each year the Legislature misappropriates roughly \$50 million of workers’ comp premiums for things such as minimum wage inspectors and union apprenticeship programs.

The audit of L&I is a charade. The real intent of SB 6035 is to direct how associations can spend retro refunds that the association has earned. SB 6035 would prohibit associations from spending retro refunds as they see fit. Farm Bureau would not be allowed to use retro refunds for labor and employment programs, or other employer services programs. Ironic – L&I uses your workers' comp premiums for L&I lobbyists and labor programs, but Farm Bureau could not do the same.

It is no secret. Farm Bureau keeps member dues low by offering services like Retro that members want. For dues of approximately \$80 per year, members receive assistance from four legislative and regulatory advocates.

Once Farm Bureau and its members have earned the rebate, it is up to the association and its members to determine how it should be spent. Farm Bureau has strict rules that prevent association dues or money from any association program to be used for political activities. We have a PAC, and the PAC makes candidate endorsements, and does its own separate fundraisers. We do this because our board of directors doesn't want members fighting about association dues, etc. being spent on politics.

Farm Bureau Continues Opposition to SMA/GMA Bills

Rep. Geoff Simpson (D-Covington) and Sen. Adam Kline (D-Seattle) introduced HB [1653](#) and [SB 5726](#) at the request of the Dept. of Ecology and Dept. of Community, Trade & Economic Development.

The agencies and legislation say that the bills are needed to “clarify” the relationship between the Shoreline Management Act (SMA) and Growth Management Act (GMA). Last July, the state Supreme Court said that critical areas in the shorelines are governed exclusively by the SMA.

That's pretty clear, already.

Under the SMA, agricultural activities are exempt from regulations that could limit or prohibit those activities.

The Departments and supportive environmental advocacy organizations said they don't intend to interfere with the agricultural exemption. Nonetheless, the provisions in the bills would make shoreline critical areas subject to the GMA until Ecology approves a local government's shoreline plan update. The result would be new regulation of agriculture in the shoreline areas.

Despite attempts to get the agencies and advocates to agree to language that clearly protects agriculture from this “unintended” consequence, none of the agencies or advocates will agree to that language.

Changing the regulation of agriculture in this round-about way lacks transparency. And it violates the spirit of the agreement under which agriculture, tribes, local governments and environmental advocates are discussing the GMA and agricultural activities at the Ruckelshaus Center. The center is a joint venture of WSU and UW, designed to facilitate discussions on difficult public policy issues.

Washington Farm Bureau and other agricultural organizations remain opposed to this unnecessary legislation that would harm agricultural operations across our state.

The bills have had hearings in committees, but so far have not been voted out for further consideration.

House Pledges to Work on Legal and Stable Workforce for Agriculture

In the House, there has been a real effort toward a bi-partisan solution for the agricultural workforce issue, despite opposition by legal services and big labor unions.

[HB 1896](#), sponsored by Rep. Bruce Chandler (R-Zillah), would have directed the state to institute an “Essential Worker Pilot Program,” in order to provide an adequate supply of workers for seasonal industries. Rep. Chandler has worked tirelessly on this issue for farmers.

Labor objected. And so Democrats crafted a substitute bill, [HB 2241](#), sponsored by Rep. Phyllis Kenney (D- Seattle) that recognizes the importance of agriculture pledged to work on the issue. HB 2241 is a “title only bill,” which was to be voted out of committee today. We were very disappointed that Rep. Chandler’s bill was ‘hijacked’ after the work he has done, but that is sometimes how the game is played.

Labor unions and legal services still objected. How could they object to a bill that merely states that agriculture needs a legal and stable workforce? The unions testified that there are plenty of undocumented workers, and farmers should just keep hiring them. (We are not making this up). We believe that this is the first time that labor unions have opposed a bill sponsored by Rep. Kenney.

[HB 1896](#) and [HB 2241](#) would pave the way for a pilot program that would allow the state to negotiate directly with other countries to bring in legal guest workers. Although it is our hope that the federal government would pass comprehensive immigration reform that includes a workable program, that may not happen; and we are especially cognizant of the fact that the federal government is moving quickly toward a requirement that employers use the E-Verify program, a practical impossibility for seasonal employers.

Unemployment Insurance - Eastern WA Legislators Fight for Farmers

For the past several years, WA employers have been greatly overcharged on unemployment insurance premiums, creating a huge surplus. The surplus is being tapped to create new UI programs and increases in benefits for unemployed workers.

[HB 1906](#) sponsored by Rep. Steve Conway (D-Tacoma) has a \$45 per week increase in benefits and in addition the minimum benefit is being temporary increased to \$200 per week. The minimum benefit payment increase was scheduled to be billed against the separating employer, but Rep. Cary Condotta (R-Wenatchee) and Sen. Janéa Holmquist (R-Moses Lake) objected. Condotta and Holmquist knew that this would increase rates for farmers, and so they successfully inserted an amendment which gave the workers the temporary raise, but did not charge the new benefit to the employer, instead using funds from the fund surplus.

Bills of Interest

The bill tracking list is now available on our website. Please check the date for the most current version.

<http://www.wsfb.com/issues/legisletter>

Information Resources

Washington Farm Bureau: www.wsfb.com
Legislative Information: www.leg.wa.gov

Governor's Bill Actions: www.governor.wa.gov
Legislative Hotline: (800) 562-6000