



WASHINGTON FARM BUREAU
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Legisletter

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Climate Change Bill Headed to Governor's Desk

Engrossed Second Substitute House Bill, E2SHB 2815, sponsored by Rep. Hans Dunshee, D-Snohomish, passed the Senate with no amendments this week and is now headed for the Governor's desk. Senate members offered more than a dozen amendments to the bill, but all were defeated. Washington Farm Bureau continues to oppose the underlying perspective that the science on climate change is settled and that modification of human activity will modify climate change.

The bill has four major components: direction for Ecology to develop a program to meet greenhouse gas emission standards; direction for the state to explore development of a cap and trade program for carbon emissions; creation of a program to reduce vehicle miles travelled; and a training program for "green collar" workers.

Farm Bureau policy on climate change recognizes the fact that climate change is not due to human activities. Therefore, our goal is to ensure that agriculture and forestry are fully recognized for the positive impact they have on the environment, thus they should have "credits" under any regulatory or market-based program dealing with carbon. The bill includes a section that directs a study to make recommendations regarding how agriculture and forestry may participate in a voluntary carbon cap and trade program. The bill also directs that any offset or credit program not disadvantage Washington in relation to other states.

The vehicle miles traveled section is perhaps the most controversial aspect of the bill and was the target of much of the floor discussion. This section establishes benchmarks for the reduction of vehicle miles travelled in Washington. The benchmarks are reductions of 18 percent by 2020, 30 percent by 2035, and 50 percent by 2050. Although we are unsure of how this reduced miles program will be created, these benchmarks will obviously have an exaggerated impact on rural residents of the state. As such, we encourage the Governor to veto this section of the bill.

Lake Roosevelt Drawdown One Step Closer

Engrossed Second Substitute Senate Bill, E2SSB 6874, sponsored by Sen. Lisa Brown, D-Spokane, passed the House and is before the Senate for concurrence. The bill would implement the agreements made with affected parties to facilitate the Lake Roosevelt drawdown. The operating budget also includes funding to facilitate the Lake Roosevelt drawdown.

We continue to strongly support this measure as a means of addressing current critical needs in the basin. This drawdown represents the first new water to be delivered under the Columbia River Water Supply Development program. While only a “down payment” on the development and delivery of new water, it is a critical first step in meeting the water supply demand of the Columbia River Basin.

The water made available through the agreement will help ease current demand in the basin by providing some water to help the declining Odessa aquifer, meet nearly two-thirds of the municipal demand, provide water for instream needs, and provide drought relief. All areas of the basin will benefit from this package because it provides new water to meet demand without transferring existing water rights.

While it is not a complete solution, it is exciting to see that we are so close to having new water supplies made available.

Environmental Markets Study Bill Awaits Governor Signature

SSB 6805, a bill to promote farmland preservation using conservation markets, sponsored by Sen. Mary Margaret Haugen, D-Camano Island, took three quick steps toward becoming a law this week with the approval of the House Appropriations Committee, action by the Rules Committee and passage by the House 96-0. The bill previously passed the Senate 48-0.

Washington Farm Bureau supports this legislation that would establish a study and possible demonstration projects to evaluate the opportunities to benefit farmers, ranchers, small forestland owners and the environment by using the marketplace to pay the property owners for maintaining and enhancing environmental benefits.

Whether it is a one-time mitigation project or ongoing revenue for environmental stewardship, Washington Farm Bureau believes that win-win opportunities exist. Farms and forests provide habitat, water filtration, floodwater dispersal, open space, clean air, buffers from development and other environmental benefits that would cost billions of dollars to replace in our state. Providing revenue opportunities for property owners who maintain or enhance these benefits means that more of them can remain in farming and forestry, and the environmental benefits will continue.

Washington Farm Bureau will encourage the Governor to sign the bill.

Eminent Domain Reform Dies in Senate Transportation Committee

2ESHB 2016, Eminent Domain Reform, died in the Senate Transportation Committee after failing to get enough votes to keep the oft-amended and tortured bill alive.

Sponsored originally by Rep. Larry Springer, D-Kirkland, Washington Farm Bureau supported the bill as passed by the House 96-1.

The House-passed bill would have allowed a person to reserve a 7-year option to buy back property taken through eminent domain if the property was not used for the intended purpose. The bill also prohibited agencies from using eminent domain to take property “substantially” for the purpose of economic development or to increase tax revenues. Additionally, the House bill would have required condemning agencies to consider and respond to alternatives proposed by the targeted property owner. Finally, the bill would have allowed a property owner to recover up to \$5,000 for reasonable costs to evaluate the condemnor’s offer. Current law provides up to \$750.

An amendment by Senate Judiciary Committee Chair Adam Kline, D-Seattle, was adopted by his committee. The amendment limited most of the meaningful reform in the bill and caused considerable debate in the Senate Transportation Committee.

The amended bill would have allowed agencies to consider alternatives *prior* to the property owner being notified that his/her property was selected for final eminent domain action. It would have prevented reimbursement for consulting and legal costs property owners would incur related to the threat of eminent domain. The amendment would have allowed agencies to avoid the return of property by simply transferring it to another agency, even if that resulted in the property being used for a purpose other than that for which it was taken. ***Farm Bureau opposed the Judiciary Committee amendment, which proved to be a poison pill for this needed legislation.***

Most significantly, the amendment stated that property could not be taken “solely” for the purpose of economic development or increasing tax revenues. This is a much higher standard, meaning that if 99 percent of the reason for taking property was to increase taxes by transferring it to a private developer, the agency could still proceed.

Washington Farm Bureau, the Attorney General’s office, and the Institute for Public Justice encouraged the Senate Transportation Committee to pass the House-approved bill and not the amendments from the Judiciary Committee. As an alternative, Sen. Derek Kilmer, D-Gig Harbor, made a motion to pass the bill out with only a title and intent section, so it could be amended on the floor of the Senate. There were not enough votes to pass the bill in any form.

Many of the House-passed amendments were the result of discussions with the Attorney General’s bipartisan Eminent Domain Task Force. Washington Farm Bureau serves on and will continue to work with the Task Force to address situations where agencies do not respect the rights and interests of property owners.

Notice of Rights Dies in Senate Judiciary

Farm Bureau supported HB 2920, sponsored by Rep. Lynn Kessler, D-Hoquiam, which would require condemning agencies to provide a pamphlet outlining the process of eminent domain and the rights of property owners who are faced with the threat of eminent domain action.

The bill would direct the Attorney General to write and update the pamphlet. The legislation was requested by Attorney General Rob McKenna to make sure that people understand their rights and deadlines to act.

The House passed the bill 96-0. The Senate Judiciary Committee held a hearing Feb. 29 and did not vote on the bill. The bill is now dead.

Rep. Kessler and Attorney General McKenna have vowed to continue the effort to make sure people know their rights when faced with the possibility of any government entity taking their property.

Specialty Agricultural Building Permits Steps Closer to House Vote

On March 5, SB 6609 was placed on Second Reading in the House.

Sponsored by Sen. Darlene Fairley, D-Lake Forest Park, the bill limits permit fees to \$75 for specialty agricultural buildings. Many states and Washington counties already exempt such structures from permit fees. Some jurisdictions charge hundreds or thousands of dollars for permits. Farm Bureau supports the legislation.

Specialty agricultural structures are those that are designed and constructed to house farm equipment, hay, grain, poultry, livestock, or other horticultural products. Human habitation, public use, and employment where agricultural products are processed, treated, or packaged are not permitted uses of a specialty agricultural building.

The capped permit fee would apply only to "commercial agricultural operations," meaning an operation that generates an average of at least \$10,000 gross income per year from the sale of agricultural products.

The Senate passed the bill 47-0.

Senate Passes Flood & Erosion Bill

On March 5, the Senate passed 43-3 SHB 2525 to address ongoing flooding and erosion.

Sponsored by Rep. Kirk Pearson, R-Monroe, the House-passed version of the bill would have allowed county governments to declare a chronic danger when a property is faced with two or more consecutive years of threats or impacts from flooding or erosion. Such a declaration would then trigger a mandatory response from the Department of Fish and Wildlife (DFW).

The Department would have the full 45 days for the hydraulic permit approval, plus at least 180 days for review under the state environmental policy act (SEPA). The Department testified to the Senate Committee that they supported the compromise bill passed by the House.

The Senate-passed version would make the response from DFW optional. Another amendment would require the Department to notify affected tribes when an oral permit is issued. As this is the practice now, we believe that this amendment is acceptable.

Washington Farm Bureau advocates for mandatory action from the department of fish & wildlife when there is a chronic danger. In current law, the Department is mandated to respond to emergencies and situations deemed to be imminent dangers.

Currently, counties **may** declare an emergency, which would then require the Agency to issue an oral hydraulic permit and bypass the lengthy SEPA process. Counties also **may** declare an imminent danger, in which case there is an expedited written hydraulic permit and bypass of the lengthy SEPA process.

Given the widespread attention to flooding brought on by the December 2007 storm, we remain hopeful that there is a sincere desire to pass meaningful legislation that will assist people in preparing for flooding events.

If the House refuses to concur, the bill would go to conference committee to work out the differences.

Field of Dreams Bill Not Funded

Despite assurances from both chambers that the Field of Dreams program, HB 2082, sponsored by Rep. Bruce Chandler, R-Granger, was an excellent program, it was not funded in the Senate budget and, therefore, did not advance.

Funding for the program appeared in the House budget. It did not appear in the Senate budget and the Senate refused to give a hearing to the bill in its Ways and Means Committee. Farm Bureau checked with Senate leadership, who assured us that there were no problems or concerns with the program. We were disappointed that it did not advance.

The Field of Dreams program would have provided tuition credits, in the form of Washington state Guaranteed Education Tuition (GET) credits, for students who worked on farms. The program was funded at \$500,000 per year, or \$1 million for the two-year budget cycle. The total budget for the past biennium exceeded \$30 billion dollars. This program would have amounted to .003 percent of the budget.

HIP Bill Still in Flux

As this edition of LegisLetter goes to press the bill content is currently under negotiation and the Senate is expected to take action on HB 2537 before Friday's 5 p.m. deadline. The bill was significantly modified by the Senate Ways & Means Committee. Unfortunately, the latest version of the bill still relies on an expensive new bureaucracy and would expend millions of dollars solely in administrative costs before one policy is offered. Moreover, significant differences between the House and Senate budgets have further complicated the issue.

Farm Bureau and other members of the Jobs & Health Care Coalition are still working to get the bill amended to address a number of concerns, especially how to target scarce resources toward providing meaningful assistance to uninsured, low-wage workers.

Background:

HB 2537, sponsored by Rep. Eileen Cody, D-Seattle, which would make modifications to the Health Insurance Partnership (HIP) is now on the calendar for consideration by the full Senate. Farm Bureau has voiced strong opposition to this legislation, which would radically alter the HIP. Instead of being a vehicle for low-wage employees of small businesses to receive health insurance premium assistance, the modifications would make HIP a direct competitor with private health plans and give it the added advantage of taxpayer subsidies to cover administrative costs.

WFB alerted members and expressed concerns with a recent version of the bill including:

- The bill restructures HIP from a resource for low-wage employees of small businesses into a state-subsidized health plan in direct competition with the private market.
- Taxpayers would subsidize premium assistance to workers as well as fund the "Partnership's" administrative costs. In fact, some small businesses would see their tax dollars used to subsidize competitors.
- Low-wage workers are not guaranteed access; the uninsured are overlooked.
- There is no requirement that HIP participants be previously uninsured or even that HIP focus on serving employers not already providing health coverage to their workers.
- Once the HIP is funded, any small employer could drop their existing health insurance plan to purchase subsidized policies through HIP, shifting costs to other employers.
- Innovation, choice and portability are sacrificed.

- Small businesses don't want a government-run health insurance system. They have asked repeatedly for lower costs and targeted assistance in providing health insurance coverage for their employees.

Cougar Bill Passes – Urge Governor to Sign

HB 2438, sponsored by Rep. Joel Kretz, R-Wauconda, passed the Senate on March 4 with a bipartisan vote of 31 -18, and was sent to the Governor for signature. Here is a link to the vote count on final passage: <http://flooractivityext.leg.wa.gov/rollcall.aspx?id=30542>

HB 2438 is strongly supported by Farm Bureau. It would extend the pilot program in which cougars may be pursued or killed with dogs for three years, in order to aid the DFW in the gathering information necessary to formulate a recommendation to the Legislature regarding whether a permanent program is warranted.

HB 2438 applies only to five counties in Northeast Washington (Ferry, Stevens, Pend Oreille, Chelan, and Okanogan), but allows other counties to opt-in to the pilot program if the county commissioners request opt-in and a showing can be made of a problem. The Governor is being urged by environmental activists to veto this section of the bill. **Please call 800-562-6000 and urge the Governor to sign the entire bill and not veto section 2, the opt-in provision.**

Workers' Comp Fund Diversions Likely to Continue – For Now

On Wednesday, Rep. Cary Condotta, R-Wenatchee, introduced a bill, HB 3387, that would have prohibited misappropriations of workers' comp trust funds to programs that are unrelated the workers' compensation program.

The bill was a scaled down version of a bill that has been debated in the Commerce and Labor Committee for two years. Rep. Condotta used a procedural motion to bring the bill to the floor in the early hours of Friday morning, but the bill went down along straight party lines.

The bad news: **misappropriations of funds that should be used to help workers who suffer on the job injuries will continue for at least another year.**

The good news: Farm Bureau met with Speaker Frank Chopp and Rep. Bill Grant, D-Walla Walla, on the issue. Chopp and Grant are committed to solving this problem, and we are optimistic that we can get it done.

In the present Legislature, there appears to be new diversions of workers' comp trust funds in excess of \$1 million, due to funding for two bills: HB 2602 – Employment Leave for Victims of Domestic Violence, sponsored by Rep. Lynn Kessler, D-Hoquiam, and SB 6732, the Underground Economy in the Construction Industry, sponsored by Sen. Jeanne Kohl-Welles, D-Seattle.

Farm Bureau estimates that misappropriations of workers' comp trust funds total nearly \$60 million each year. With a tough budget cycle coming up next year, we anticipate that pressure to raid the workers' comp and unemployment insurance trust funds will accelerate.

Bills of Interest

The following is a list the bills we are currently tracking.

- In the Bill column, E = Engrossed (i.e., amendments have been adopted), S (preceding HB or SB) = Substitute bill, HB = House Bill, SB = Senate Bill, JM = Joint Memorial, JR = Joint Resolution.

- In the Position column, S = Support, M = Monitor, N = Neutral, C = Concerns, O = Oppose.
- In the Lobbyist column, C = Patrick Connor, F = Dan Fazio, S = John Stuhlmiller, W = Dan Wood.
- Bold indicates a priority bill.

Energy & Environment

Bill	Title	Status	Sponsor	Position	Lobbyist
SHB 2676	Exempting Dairies from Shellfish District Assessments	S Rules 2	Morris	S	S
E2SHB 2815	Climate change, cap & trade, green collar jobs	S Passed 3rd	Dunshee	O	S
HB 3106	Comm. on Pest. Registration renamed Comm. on IPM	S Rules 2	Grant	S	S
HJM 4029	Marine conservation	S 2nd Reading	Lias	M	S
SSB 6231	Marine protected areas	H 2nd Reading	Jacobsen	M	S
SSB 6307	Marine managed areas	H Rules R	Rockefeller	M	S
ESSB 6308	Climate Change Adaptation Work Group	H 2nd Reading	Rockefeller	M	S
SSB 6309	Climate Change - tailpipe emission disclosure	S Pres Signed	Rockefeller	M	S
SSB 6607	Exempting Dairies from Shellfish District Assessments	H Passed 3rd	Spanel	S	S

Health Care

Bill	Title	Status	Sponsor	Position	Lobbyist
2SHB 2537	Allowing govt's Health Ins. Partnership to compete w/ private plans	S Rules 2	Cody	O	C
SHB 2560	Small employer insurance	S Rules 2G	Van De Wege	M	C
ESSB 5261	OIC intrusion in individual health insurance market	H Passed 3rd	Keiser	O	C
2SSB 5596	Preferential payment system for chiros	H Rules R	Franklin	O	C
ESSB 6333	Promoting single-payer health care systems	H Rules R	Keiser	O	C

Labor & Employment

Bill	Title	Status	Sponsor	Position	Lobbyist
E2SHB 2082	Tuition assistance for students who work on farms	S Ways & Means	Chandler	S	F
HB 2233	Workers' Comp Use of funds	H Commerce/Lab	Condotta	S	F
SHB 2602	Requires leave and reinstatement for certain victims	S Passed 3rd	Kessler	O	F
ESHB 2626	Suspend U/I waiting period in disasters	S Rules 2G	Van De Wege	M	F
HB 2655	ESD can waive delinquency penalty	S 2nd Reading	Conway	S	F
SHB 2963	Collective bargaining for WSU graduate students	S Passed 3rd	Conway	M	F
ESHB 3122	Changing independent contractor test for construction	S Passed 3rd	Conway	M	F
E2SHB 3139	Workers' Comp benefits paid during appeal	S 2nd Reading	Conway	M	F
SHB 3255	Workers' comp coverage for out of state work	S 2nd Reading	Wood	M	F
SHB 3305	Paid Family Leave "Fix"	H Rules C	Dickerson	O	F
HB 3387	Ends diversions of workers' comp trust funds	H Commerce/Lab	Condotta	S	F
2ESB 5723	Agricultural worker safety	H Approp	Rasmussen	M	F
SSB 5900	Victims of domestic violence	H Commerce/Lab	Regala	O	F
SSB 6280	Paid Family Leave "Fix"	S Rules X	Keiser	O	F

SB 6447	Unpaid leave for spouse of service member	H 2nd Reading	Hobbs	M	F
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Land Use

Bill	Title	Status	Sponsor	Position	Lobbyist
SHB 2525	Flood damage	S Passed 3rd	Pearson	S	W
E2SHB 2844	Urban forestry	S 2nd Reading	Kagi	M	W
HB 2909	Forest product resources	S 2nd Reading	Orcutt	M	S
ESSB 6580	Climate change impacts	H 2nd Reading	Marr	O	W
SSB 6609	Agricultural structures	H 2nd Reading	Fairley	S	W
SSB 6805	Conservation markets	H Passed 3rd	Haugen	S	W

Tax & Fiscal

Bill	Title	Status	Sponsor	Position	Lobbyist
ESHB 2687	Operating budget	S Passed 3rd	Sommers	M	C
E2SHB 2709	Funding for Local Farms/Healthy Kids	S Rules 2	Hurst	S	S
ESHB 2765	Capital budget	S Passed 3rd	Fromhold	M	C
ESHB 2878	Transportation budget	S Passed 3rd	Clibborn	M	C
HB 2923	Processor weight tickets ok	H Spkr Signed	Hinkle	S	C
EHB 3137	Tax relief for 2007 floods	S Ways & Means	DeBolt	S	C
2SSB 6468	Beekeeper tax exemptions	H Passed 3rd	King	S	C
ESB 6641	Ballot information/HB 2545	H 2nd Reading	Regala	M	C
SSB 6806	Anaerobic digester tax exemption	H Finance	Haugen	S	C

Water Management

Bill	Title	Status	Sponsor	Position	Lobbyist
ESHB 1453	Providing point of diversion flexibility for water rights	S Rules 2	Grant	S	S
SB 6204	Dividing WRIA 14	H Rules R	Sheldon	M	S
E2SSB 6874	Funding for Lake Roosevelt Drawdown	H Passed 3rd	Brown	S	S

Other

Bill	Title	Status	Sponsor	Position	Lobbyist
ESHB 2438	Cougar hunting pilot project	H Spkr Signed	Kretz	S	F
HB 2448	Campaign finance report	S Rules 2	Hunt	M	W
SHB 2452	Wildlife rehab committee	S 2nd Reading	Appleton	M	S
HB 2467	Fertilizer regulations	S 2nd Reading	Warnick	M	S
EHB 2476	Tribal police officers	S 2nd Reading	McCoy	M	F
E2SHB 2631	Regulatory assistance office	S 2nd Reading	Linville	M	W
SHB 2729	Identification documents	S 2nd Reading	Eddy	M	F
HB 2799	State wildlife account	S Rules 2G	Loomis	M	S
SHB 2811	Healthy student program	S 2nd Reading	Sullivan	M	S
SHB 2858	Metal property	S Passed 3rd	Morrell	S	W
2SHB 3227	Hood Canal water quality	S Rules 2	Eickmeyer	M	S
SB 6187	Food animal veterinarians	H 2nd Reading	Shin	M	W
SSB 6273	Farm implements on highways	H Passed 3rd	Haugen	S	C
SB 6283	Apple commission membership	H Spkr Signed	Rasmussen	S	S
SB 6284	Dairy products commission	H Spkr Signed	Schoesler	S	S

2SSB 6483	Local Farms- Healthy Kids	H Passed 3rd	Hatfield	S	S
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Information Resources

Washington Farm Bureau: www.wsfb.com Governor's Bill Actions: www.governor.wa.gov
Legislative Information: www.leg.wa.gov Legislative Hotline: (800) 562-6000