



WASHINGTON FARM BUREAU
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LegisLetter

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Activities of the Legislature affecting farmers and ranchers in Washington state

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Note: Today is the cutoff in the Senate for policy bills being passed out of committee. Tuesday was the cutoff for policy bills to pass House committees.

2010 Legislative HotList

In preparation for Farm Bureau Legislative Days next Tuesday and Wednesday, WFB staff have created a list of "Hot Issues" for you to use as you talk to your representatives. These issues are specific to this point in session, and we urge you to reference them as you meet with your legislators next week.

(1) B & O Tax Increases

As the legislature looks to plug a \$2.8 billion budget hole, there are many legislators looking to raise taxes. While there have been no broad tax proposals submitted yet, SB

6841 would end the business & occupation tax exemption for agriculture. This exemption, around since the 1930s, is crucial to the financial survival of our farmers and ranchers.

Action Item: Ask legislators to oppose any new taxes, especially on agriculture. Also ask them to preserve ag tax preferences that exist to support our unique industry.

(2) Initiative 960

Legislators recently held a hearing on SB 6843, which would undermine Initiative 960. In 2007 Washington voters approved I-960, which requires a two-thirds majority vote of the legislature, or a vote of the people, to raise taxes. In the face of our down economy, legislators would like to suspend that requirement for two years. SB 6843 would also permanently eliminate some of the transparency and accountability portions of the initiative.

Action Item: Ask legislators to uphold the requirements of I-960 by opposing SB 6843. Urge them to uphold the will of the voters.

(3) Stock Water

A number of bills have been introduced that would limit or otherwise define the stock water provision of the exempt well statute. None of the bills introduced would ensure that rural landowners will be able to continue to raise locally grown livestock and could increase the complexity of the law and add uncertainty, likely resulting in more litigation.

Action Item: Ask legislators to allow the stock water lawsuit (*Five Corners v. Ecology*) to be decided before acting and let the stock water working group complete its work before amending the statute.

(4) Hydraulic Project Approval Fees

In the search for additional money, legislation has been introduced that would create a new fee for hydraulic permit approvals (HPA). This is a permit that could be covered by other existing permits such as grading and filling or dredge and fill permits at the county, state and federal level.

Action Item: Ask legislators to oppose HB 3037 and SB 6448. HPAs provide environmental benefits and should be funded by the state, especially since implementation of the conditions under which permits are granted routinely include costly mitigation requirements.

(5) Ruckelshaus Extension / GMA Updates

The Ruckelshaus Center is jointly operated by WSU and UW and is designed to facilitate resolution of difficult public policy issues. Since late 2007, agriculture, tribes, environmental organizations and counties have been seeking agreement on programs that would protect critical areas, strengthen salmon runs and support viable agriculture in our state. A moratorium on regulating agriculture has been in place during the discussions. While agreement has not been reached, most at the table believe more time could result in a unique agreement that focuses on voluntary incentives that use regulations as a last resort.

Action Item: Ask **representatives** to support HB 2891 and **senators** to support SB 6520 to extend the moratorium and the talks at the Ruckelshaus Center.

(6) Shoreline and Growth Management Acts

HB 1653 remains in the House Rules Committee where it was halted last year, in part because the current language in the bill threatens agricultural activities that otherwise are not regulated by the Shoreline Management Act. The bill is intended to clarify when there will be a clear distinction between the SMA and the Growth Management Act. As written, the bill could allow local governments to use the GMA to regulate agriculture that is protected from harmful regulations under the SMA.

Action Item: Ask *representatives* to hold HB 1653 in the House Rules Committee unless there is clear language added that will protect agricultural activities from new restrictions under the GMA.

(7) Agricultural Impact Statement

SB 6210 would require the Department of Ecology to add certain questions to the State Environmental Policy Act (SEPA) checklist to assist the state in avoiding impacts to agricultural lands. SB 6521 would require the state conservation commission to develop a form and process for an agriculture impact statement. All state agencies would have to complete the agriculture impact statement before acquisition of certain real property.

Action Item: Ask legislators to support SB 6210 and SB 6521 as a means of elevating agency awareness of potential impact to agricultural lands by their actions or policies and to encourage them to look at alternatives that would not harm agriculture.

(8) Unemployment Insurance

Unemployment insurance tax rates on employers went up dramatically in 2010 and are slated to go even higher in 2011, while the number of claims has grown due to the poor economy. In addition, the Employment Security Department also wants to receive federal funds for software and administration and has chosen to qualify for those funds by asking the legislature to extend UI benefits to certain part-time employees (SB 6526). Legislators also want to allow certain employees who voluntarily quit to receive UI benefits (HB 2553, SB 6334).

Action Item: Ask legislators to smooth out sharp increase in UI taxes on employers so that employers can create and sustain jobs in the short term, while paying into the UI system the same amount of money over a longer term. Let legislators know that increases in benefits – either by allowing more people to file for UI or by granting more money to beneficiaries – will cause the UI fund to shrink more rapidly and may slow economic recovery because employers will need to replenish those funds.

Come to WFB Legislative Days Next Week! Register Now!

WFB's Legislative Days event is next Tuesday and Wednesday (February 9-10), so [register now!](#) Day one's activities will take place at the [Worthington Center](#) on the St. Martin University campus in Lacey. This year's [agenda](#) includes Director of Agriculture Dan Newhouse; Speaker of the House Frank Chopp; Representatives Steve Conway, David Taylor, and Susan Fagan; Justice Richard Sanders; Evergreen Freedom Foundation President Bob Williams; and Chief of Staff Jay Manning from Governor Gregoire's office. Day two will be on the Capitol campus and at the WFB Professional Office Building in Lacey. [Register online now](#) or [download a](#)

[registration form](#) (to complete and send via e-mail, fax, or mail). Registration cost is \$50 per person.

Don't forget we will have the dessert auction at lunch on Feb. 9. Please contact [Dan Wood](#) if you are bringing a dessert! Thank you.

If you have any questions, please email [Daniel Turner](#) or call (360) 528-2908. Please plan to attend!

Legislators Seek to Undermine I-960

On Thursday, the Senate Ways & Means Committee held a hearing on SB 6843, sponsored by Sen. Margarita Prentice (D-Renton), which would undermine the requirements of Initiative 960. In 2007, Washington voters approved I-960, which requires a 2/3 majority vote of the legislature, or a vote of the people, to raise taxes. In our economic slump, legislators are seeking to suspend that requirement for two years to raise taxes more easily. In addition, the bill would undermine transparency and accountability measures within the law.

Voters have approved a two-thirds requirement for tax increases three separate occasions, and it appears the legislature will force voters to pass it a fourth time. Farm Bureau testified in strong opposition to the bill. If the legislators want to raise your taxes, they should be required to convince two-thirds of their colleagues, or send it to you for a vote.

Agriculture B&O Exemption at Risk

As the legislature looks to plug a \$2.8 billion budget hole, there are many legislators looking to raise taxes. On Thursday SB 6841 was introduced in the Senate and referred to the Ways & Means Committee. The bill, sponsored by Senator Karen Keiser (D-Kent), would eliminate a host of tax exemptions including the B & O exemption for agricultural sales. This tax preference is essential to the financial stability of farmers & ranchers across the state. Farm Bureau is vehemently opposed to this bill and will work to stop its passage.

Agriculture is a unique industry and this exemption, around since the 1930's, is recognition of the different struggles that we face. **Come to WFB Legislative Days on February 9-10 and let your legislators know how important this preference is to your survival and tell them to VOTE NO ON SB 6841.**

WSU Ag Research Funding at Risk

The legislature, facing a \$2.8 billion budget gap, has begun to craft their supplemental budget. As they look for places to cut, everything is on the table and WSU agriculture research funding is no exception. Farm Bureau is committed to protecting these important programs, but possible cuts are a reality. Please find below an article recently written by WSU President Elson S. Floyd on the issue.

A Threat to Research

As the budget process in Olympia moves forward, we at Washington State University recognize that we will share in the cutbacks mandated by the state's fiscal shortfall. However, we must and will resist any reductions that will have crippling and irreversible impacts on our university and on our state. A potential threat to \$26 million in state funding for research, primarily agricultural research, clearly falls in that category.

It is important to put this issue in context. At this point, we have only received a request from Senate and House fiscal committee staffers regarding our state research dollars. However, we are concerned that money may be at risk because of a quirk in the federal legislation regarding stimulus funding.

The law mandates that states using stimulus funds must commit themselves to "maintenance of effort," in areas where the money is used. As a result, states are restricted on how deeply they can cut budgets in many areas. Unfortunately, "research and development" funding is exempt from those restrictions. That could make our state research funding an available and attractive target as legislators face the difficult task of balancing Washington's budget.

About \$21 million of the at-risk funding is located in the WSU Agricultural Research Center. These funds primarily pay the salaries of the faculty members, support staff, and many graduate students who conduct the research, teach the courses and conduct portions of the extension programs in agriculture for WSU. These funds are the majority of the salary base for our College of Agricultural, Human, and Natural Resource Sciences. We have used that money to leverage approximately \$40 million in new external grants and contracts so far this fiscal year. So, that funding pays for itself nearly two times over.

The immediate impact of a deep cut in our research funding would be devastating, the long-term impact catastrophic.

How would WSU cope? Closure of all four of WSU's agricultural research and extension centers around the state, as well as most Pullman-based facilities, is a likely outcome. Deep cuts in agricultural research, teaching and extension personnel around the state would be another.

Agriculture remains the largest employer in Washington's economy, producing an estimated \$30 billion in economic value yearly. As the state's land-grant university, Washington State University is proud to say that those farmers depend on our research. From the wheat farmers on the Palouse to the tree fruit growers in the Columbia River Valley to the vintners around our state, the people who put safe food and wine on our tables and money in our economies, both rural and urban, value us as partners.

In the increasingly competitive world agricultural market, Washington's farmers and the food industry need the advantage that locally focused and responsive research from WSU provides.

If we do not maintain that edge, the economic impact would be swift and jobs, once lost, would be unlikely to return.

You can find more information about how our agricultural research efforts are benefitting our state at <http://cahnrs.wsu.edu/research/>

Again, this is, for right now, only a request for information from legislative staffers. We hope and expect that legislators, once they examine the issue closely, will conclude that cutting agricultural research would be both short-sighted and counter-productive as our state seeks to pull itself out of recession.

However, it is important for all of us to stay up to date on the issues facing our university as the budget deliberations continue. I will continue to share information with you in the weeks ahead.

Senate Committee All Talk, No Action on Workers' Comp

On Monday, the Senate Labor, Commerce & Consumer Protection Committee held a work session on the topic of workers' compensation. Rick Anderson, immediate past chair of the WFB Labor Advisory Committee and member of the Workers' Comp Advisory Committee at the Department of Labor & Industries, testified about the negative impacts of this year's increase in workers' comp rates. Anderson and three other panels made the case that workers' comp reforms should be considered immediately so that businesses in all sectors can help lead us into economic recovery by creating and sustaining jobs.

Unfortunately, the committee did not hold a public hearing on SB 6638, the Senate companion to HB 2950, the bipartisan workers' comp reform bill. SB 6638 is sponsored by Sen. Janea Holmquist (R-Moses Lake).

Instead of reforms, the committee held a hearing on SB 6775, a workers' comp task force bill sponsored by Sen. Jeanne Kohl-Welles (D-Seattle). The bill would prolong reform discussions through the interim. Farm Bureau opposed the bill because it does not meet the immediate needs of employers who are struggling with higher workers' comp premiums.

We need to fix the system, not study it further or have more discussions and analysis. The legislature and stakeholders have been discussing reforms for the past two decades. We know what the problems are. Now is the time for moving reform legislation forward, not more talk.

Push Back Rally on Feb. 15

Washington Farm Bureau First Vice President Britt Dudek will be one of the speakers at the Push Back rally Feb. 15 at 10am on the steps of the state Capitol. WFB members and others are encouraged to attend and to bring anyone who is concerned about the growth of taxes and spending and their impact on our state economy.

Dori Monson of KIRO Radio will be the featured speaker. Others include Dudek, NFIB State Director Patrick Connor and Kirby Wilbur, former KVI Radio host and current state director for Americans for Prosperity.

No elected officials or candidates are scheduled to speak at this non-partisan event.

Given the dustup at yesterday's hearing on the bill to repeal reporting and limits on tax increases, the pace and atmosphere at the Capitol will be characterized by a lot of messaging about taxes and spending.

Make sure your voice is heard and be sure to attend.

The day will be filled with people showing up to send a message. Immediately following the Push Back rally, another group will gather to express their support for increased taxes and spending. **It is likely that the media will report both events and make comparisons of the turnout.**

Push Back 2010 is a gathering of citizens on the Capitol Campus to protest tax and spending increases in 2010. By attending you can expect to hear from some inspiring speakers, unite with fellow Washingtonians from all across the state, and influence your legislators to consider their voting choices carefully during the legislative session. In addition to rallying on the campus, we will also be equipping and mobilizing attendees to go inside and speak with their district legislators with others from their community.

No preparation is necessary! Simply show up with your favorite "No New Taxes" sign and be ready to gather together and head inside to speak with your legislator. Since we are anticipating large crowds, a spokesperson will be nominated for each legislative group.

More information may be found at www.pushbacknotax.com

An RSVP is not required, but you may choose to RSVP on Facebook at <http://www.facebook.com/event.php?eid=271841093385>

If you would like to volunteer with setup, please arrive at 8:30 am on the North Steps. The contact person is Laurie McNally at lmcnally@effwa.org. The rally begins promptly at 10:00am.

Following the brief rally, participants will be asked to go find their legislators to personally deliver the message that more tax increases will be harmful to our state's fragile economy and our families that already have carried a burden in these tough economic times.

Bills of Interest

The [bill tracking list](#) is available now on our website. It will be updated several times a week. WFB staff review daily summaries of House and Senate bill introductions and flag bills that might affect the operations or interests of Washington farmers and ranchers. Some bills are initially tracked with a position of "monitor" until they are fully reviewed for their impacts. There

are more than 250 bills already on the tracking list for Washington Farm Bureau and more added daily.

If there is a bill of interest to you that does not appear on our tracking, please email [Daniel Turner](#) with a request that WFB staff review the bill.

Information Resources

- [Washington Farm Bureau](#)
- [Governor's Bill Actions:](#)
- [Legislative Information](#)
- Legislative Hotline: (800) 562-6000