



LegisLetter

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Activities of the Legislature affecting farmers and ranchers in Washington state

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Get Retro Bill: Whose Money is it?

Sponsored by Sen. Jeannie Kohl-Welles (D-Seattle), [SSB 6035](#) restricts the use of retro refunds, after they have been earned by an organization like Farm Bureau, **and** forces the organization to publicly reveal how it spends its revenue from the retro program.

Under SSB 6035, Farm Bureau would not be allowed to spend Retro/Safety returns on labor and employment advice for members, legislative or regulatory advocacy, or a host of other activities that members have asked our organization to undertake. If SSB 6035

were enacted, **Farm Bureau may need to charge members separately for these programs that are currently funded by retro returns.**

Farm Bureau has always maintained that it is in the best interest of the organization -- and our members -- to draw a bright line between advocacy activities on behalf of farmers and ranchers, and political activities. **We have done this because our members, not the government, have demanded it.**

SSB 6035 would also force Farm Bureau to reveal how it spends non-dues money that it has earned, and publicly announce our organization's financial details that are currently only available to members.

Farm Bureau has a contract with the Department of Labor and Industries (L&I) to administer the program. The amount of refund we earn is governed by the contract and our performance. Once we fulfill the contract and L&I sends the payment, the funds belong to our organization to spend as our board of directors directs. SSB 6035 would change that contract to state that the funds that Farm Bureau earns don't really belong to the Farm Bureau. It should also be noted that if Farm Bureau members do not perform, it is possible that Farm Bureau would receive an assessment instead of a refund. SSB 6035 does not recognize this.

Last week we issued a call to action to contact your state Senator and urge him or her to vote "NO" when Substitute Senate Bill 6035 ([SSB 6035](#)) comes before the Senate.

Please call (800) 562-6000 and tell the Governor or your senator that SSB 6035 is a bad bill.

This week Farm Bureau began meeting with editorial boards of the state's most widely read newspapers to explain why SSB 6035 is not needed. If you'd like to write a letter to your paper's editor, or want more information on the bill, go directly to <http://capwiz.com/wsfb/state/main/?state=WA>.

Your calls, e-mails and letters are making a difference. Keep them coming.

Supreme Court Says YES to Property Rights; NO to Tax Increases

Tuesday (March 3) the State Supreme Court denied a motion to reconsider its ruling in the Citizens Alliance for Property Rights' (CAPR) case against the massive set-aside of private land by King County.

CAPR prevailed last July in its case against the King County Critical Areas Ordinance. That CAO set aside up to 65 percent of the land owned by many rural King County residents.

In the mid-2008 ruling, the Supreme Court held that the massive set-aside was effectively an illegal development tax. After the loss, King County asked the Court to reconsider.

This week, the Court said it would not.

In the unrelated case of [Brown v. Owen](#), the Court said that it would not intervene in a matter of dispute within the chamber of the state Senate.

In 2008, Senator Lisa Brown (D-Spokane), filed suit against Lt. Governor Brad Owen (D-Shelton) after Owen ruled that a tax measure before the Senate needed a 2/3 vote as required by such measures as Initiatives 601 (passed in 1993) and I-960 (passed by voters in 2007). Brown had asked the Lt. Governor, in his role as President of the Senate, to rule that the Senate could ignore the super majority requirement of these initiatives.

With the refusal of the Court to intervene in the matter between Brown and Owen, the effect is to leave intact the Lt. Governor's ruling in favor of compliance with the provisions of these initiatives.

Shorelines/Growth Management Bill Still in Rules Committee

[HB 1653](#), sponsored by [Rep. Geoff Simpson](#) (D-Covington), would temporarily interfere with a host of exemptions under the Shoreline Management Act (SMA).

The bill currently sits in the House Rules Committee and about a week remains for the bill to move to the floor of the House for a vote.

Washington Farm Bureau opposes this unnecessary legislation that would interfere with agricultural activities in shoreline areas. The SMA specifically prevents local governments from limiting or prohibiting agricultural activities, thanks to legislation sponsored in 2002 by [Sen. Brian Hatfield](#) (D-Raymond) when he served in the House.

In the July 2008 *Anacortes* ruling, the state Supreme Court ruled that critical areas within the SMA jurisdiction are to be dealt with exclusively under the SMA and all others under the Growth Management Act (GMA).

HB 1653 would undo this ruling and give Dept. of Ecology leverage over CAO (GMA critical area ordinance) approvals that they do not currently have.

The SMA specifically provides exemptions or protections for many activities in the shoreline areas. Among those that could be harmed by this legislation are:

- Selective commercial timber cutting
- Agricultural activities
- Exemption for projects to improve fish or wildlife habitat or fish passage
- Watershed restoration projects
- Normal maintenance or repair of existing structures or developments, including damage by accident, fire, or elements
- Construction of the normal protective bulkhead common to single family residences
- Construction and practices normal or necessary for farming, irrigation, and ranching activities, including agricultural service roads and utilities on shorelands
- Construction on shorelands by an owner, lessee, or contract purchaser of a single family residence for his or her own use or for the use of his or her family

- Construction of a dock, including a community dock, designed for pleasure craft only, for the private noncommercial use of the owner
- Operation and maintenance of any system of dikes, ditches, drains
- The process of removing or controlling an aquatic noxious weed; and others

These activities are currently protected under the SMA, but most of them are not protected under the CAO requirement of the GMA.

The Senate Environment, Water and Energy Committee rejected the companion bill, [SB 5726](#), sponsored by [Sen. Adam Kline](#) (D-Seattle).

Tax Issues Still on the Table

[SHB 2275](#), introduced by Reps. [Joel Kretz](#) (R-Wauconda), [Larry Springer](#) (D-Kirkland) and several others, would exempt propane used by farmers for off-highway purposes from sales and use taxes. If passed, the bill is expected to save farmers \$4.8 million during the next two years.

Washington Farm Bureau strongly supports SHB 2275.

This legislation is in stark contrast to [SB 5911](#), sponsored by Sen. [Craig Pridemore](#) (D-Vancouver), which seeks to impose the Business & Occupations tax on farmers earning \$200,000 or more. The bill would also repeal the existing sales tax exemption for farm equipment auctions conducted on the farm.

The bill was not heard by the Senate Ways & Means Committee before the fiscal cut-off; however, any tax bill deemed “necessary to implement the budget” can still be brought forward until a budget is adopted.

Farm Bureau is continuing to monitor this legislation and remains opposed to SB 5911 - or any similar effort to increase food prices by raising taxes on Washington’s farmers and ranchers.

Open Space Legislation Advances to House Rules Committee

Separate House bills have advanced to address issues in the Open Space Tax Program.

Washington Farm Bureau supports all three of the bills that remain alive.

This first, [HB 1508](#), introduced by [Rep. Pat Sullivan](#) (D-Covington), provides that in counties with a population more than 1.5 million (King County), transferring from one type of current use classification to another is not considered a withdrawal from the program. This bill protects those changes from additional back taxes, penalties and interest.

[HB 1733](#), introduced by [Rep. Roger Goodman](#) (D-Kirkland), includes broad language to clarify the eligibility of equestrian activities for which a charge is made. It includes “no fault” language to remove penalties in instances where the operation is removed from eligibility after having been deemed eligible.

[HB 1815](#), introduced by [Rep. Pat Sullivan](#) (D-Covington), clarifies that standing crops with an expectation of harvest in 15 years -- on parcels of 5-20 acres -- remain eligible. This is the “Christmas Tree” bill, but would also apply to grapes, fruit trees, cranberries, asparagus and other “wait to harvest” commodities. An income threshold does not exist for individual parcels or aggregated adjacent parcels totaling more than 20 acres.

All other Open Space Tax Programs bills died in committees.

Together, the three “alive” bills provide the following:

- Clear eligibility for equine activities.
- Clear eligibility for “wait to harvest” crops.
- Transferability in King County.
- Protection for “no-fault” withdrawals.

Washington Farm Bureau supports passage of all three Open Space tax bills.

Anti-AHP Bill Still Alive

SHB 1714, sponsored by Rep. Eileen Cody (D-Seattle), advanced to the House Rules Committee on a party-line vote from the House Health Care & Wellness Committee. Farm Bureau, along with other members of the Jobs & Health Care Coalition, is working hard to prevent the bill from reaching the House floor for a vote.

SHB 1714 would require organizations like Farm Bureau to disclose proprietary business information identifying how each association health plan (AHP) has structured its individual program to compete in the association plan market. Data collected under this bill would be available to AHP competitors and to regulators openly hostile to AHPs.

Moreover, SHB 1714 would grant the [Office of the Insurance Commissioner](#) (OIC) power to regulate details of organizations’ unique business plans. This intrusion is far in excess of OIC’s existing authority to regulate insurance carriers.

SHB 1714 is a top priority bill for Farm Bureau to oppose this session.

Mobile Meat Slaughter Bill Advances

[SB 5004](#), sponsored by [Sen. Ken Jacobsen](#) (D-Seattle), is in the Senate Rules Committee, waiting to be forwarded to the full Senate for a vote.

The bill makes clear that mobile meat slaughter units are eligible for the Rural Washington Loan fund, a program designed to create new jobs or protect vulnerable

existing jobs in rural Washington. The fund is administered by the Department of Community, Trade, and Economic Development.

The intent of the bill is to foster the creation of additional mobile units to serve areas of the state that have a dwindling number of slaughter options for local livestock. The inspiration behind the legislation is the [Puget Sound Meat Producers Cooperative](#) unit that was spearheaded by Cheryl Ouellette, President of King-Pierce County Farm Bureau. Ouellette also serves as president of the cooperative.

In addition to providing the much-needed slaughter services that can be performed at farms or local staging areas, the unit will also be able to process excess products that could be made available to local food banks.

The units would be USDA certified -- a requirement that must be met to sell meat to the public and process it for use by the food banks.

Washington Farm Bureau supports the passage of this legislation.

Has the Climate Changed in Olympia?

The Governor's "Cap and Trade" bills received much attention in their respective committees, so much so, they scarcely resemble the ideas originally introduced that drew vigorous opposition from WFB and the entire business community. Both [2SSB 5735](#) sponsored by [Sen. Phil Rockefeller](#) (D-Bainbridge Island) and [2SHB 1819](#) sponsored by [Rep. Dave Upthegrove](#) (D-Des Moines) remain alive this session.

In its present form, 2SSB 5735 would direct greenhouse gas reduction efforts to be voluntary and such efforts must have specific legislatively directed funding. Additional information would also be gathered by state agencies under the bill to better understand such issues as the value of agriculture related to offsets (actions that reduce greenhouse gas emissions).

2SHB 1819 has not seen as much "improvement" but ensures that the legislature would be the final decision maker on any cap and trade program elements. The bill moves the date for credit for "early actions" back to 1990. This allows entities that made investments or changes in operations to reduce greenhouse gas emissions to receive their due credit. This measure still needs lots of work (as does the Senate bill).

In the final analysis, legislators should oppose any cap and trade legislation this session because: (1) no legislation is needed this session; (2) we need to wait to see what the US government chooses to do on the subject; (3) such a measure would cripple our fragile economy; (4) we need proof that such a program will actually help us deal with natural climate variability -- not just create a new taxing source and bureaucracy.

Bills of Interest

Please note that since some bills have “died” there are two versions of bill tracking posted on our website. Since there is always a chance a bill may be “revived” we judiciously keep a copy of bill tracking as it was before cutoff, in addition to the active bill tracking list. Both are available at: <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