



**WASHINGTON
FARM BUREAU**
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Legisletter

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Senate Passes its Budget Priorities

On Tuesday, the Senate released its proposed Operating Budget, SHB 2687, sponsored by Rep. Helen Sommers, D-Seattle, and a proposed Capital Budget, SHB 2765, sponsored by Rep. Bill Fromhold, D-Vancouver. Debate was held, the budgets were passed out of the Ways and Means Committee, and both bills are now moving to the floor for a vote, most likely early next week.

From a balance sheet prospective, this year's supplemental spending increases totaled \$238.8 million. The biennium Senate budget would spend \$29.86 billion, with projected revenues of \$30.17 billion. Adding the previous rainy day fund balance of \$445.7 million to this year's surplus would leave a projected reserve of \$754.8 million heading into next fiscal cycle.

It's probably not enough.

The latest fiscal projections call for greatly reduced revenues. In addition, this budget does not fund many obligations that the state has incurred but not funded. For example, the Paid Family Leave program passed last year, and it will cost well in excess of \$100 million in the next budget, since workers are scheduled to receive benefits in October 2009. But Paid Leave is not addressed in this year's budget.

The general consensus is that by this time next year, there will be a budget deficit in excess of one billion dollars. And of course, there will be more priorities to consider next year.

In addition, several ongoing programs are being funded with one-time money. For example, the Employment Security Department (ESD) is using nearly \$13 million of one-time federal grant money to fund general agency activities. There are many examples of these activities that will need to be addressed next year. Finally, state workers, many of whom are now unionized, will

be seeking pay increases that are not factored into the present budget. It all adds up to a very painful budget for the next several years.

Sen. Joe Zarelli, R-Ridgefield, the ranking minority member on the budget committee, has stated on several occasions that it will be impossible to make up for three years of excessive spending with one year of fiscal restraint. Zarelli points out that the current budget actually spends \$1.7 billion more than it brings in, and the rate of spending is increasing at more than double the rate of revenue growth.

Simply put, we have created more government programs and entitlements than we can pay for. The choice will be to either raise taxes or cut benefits. It is inevitable.

From the perspective of farmers and ranchers, the Senate Budget funded many priorities, but was not as favorable as the House version. Here are some highlights of the operating budget:

- \$1.9 million of the General Fund is earmarked for climate change. The budget envisions a system to track, and eventually charge, entities that produce greenhouse gases. Programs for climate change and growth management are also funded, as are programs “to help governments and citizens prepare for climate change.” The budget names three agencies and creates a fourth (Office of State Climatologist), as well as funding for the University of Washington and some counties. **The climate change bill is opposed by Farm Bureau.**
- \$8.1 million for the Lake Roosevelt drawdown. **Farm Bureau strongly supports this effort**, which would provide \$6 million for two tribes, and \$2 million to affected counties to mitigate the impacts of the drawdown.
- \$1.5 million for Local Farms, Healthy Kids. Funding would be split between the WSDA, the Office of Superintendent of Public Education, and DSHS to establish programs including Washington Grown products in our schools and the use of WIC funds at farmers markets and roadside farm stands. **Farm Bureau supports this measure.**
- We were disappointed that HB 2082, the Field of Dreams, was not funded in the Senate, and we will continue to work on it. Field of Dreams provides partial tuition funding (GET credits) for any college in Washington for students who work on farms. This program was funded for \$500,000 in the House budget. **Farm Bureau strongly supports this effort.**
- \$6.2 million is provided for computers, staff, and preparation for the Paid Family Leave program, despite the fact that there is no real funding source. The Legislature previously approved a “loan” of workers’ comp trust funds to pay for this program, and this loan has not been paid back. **Farm Bureau opposes this expenditure.**

Here are some highlights on the Capital Budget:

- \$52 million to respond to the December storm, of which \$1.5 million is provided to assist farmers with flood recovery efforts, and \$50 million is provided for the state share of the federal-state flood control project.
- \$2 million additional for farmers to build on-farm housing. This would expand the infrastructure loan/grant program into all facets of construction for migrant and seasonal housing.

Once the Senate passes its budget, the House and Senate will convene a status conference to reconcile differences. And there are many.

Senate Committee Weakens Flood Bill

The Senate Natural Resources, Oceans and Recreation Committee today amended SHB 2525, sponsored by Rep. Kirk Pearson, R-Monroe, and basically took it back to current law.

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. 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 Senate Committee that they supported the compromise bill passed by the House.

The amendment in committee would make the response from Fish and Wildlife optional.

Welcome back to current law.

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.

The amendment in the Senate committee leaves the bill without any change for people facing ongoing problems. Washington Farm Bureau is seeking clarification for why the amendment was added and asking for the amendment to be removed.

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.

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.

Uncertain Climate for Climate Change Bills

E2SHB 2815, sponsored by Rep. Hans Dunshee, D-Snohomish, moved out of the Senate Water Energy and Technology Committee and on to Senate Ways and Means. The bill was not amended by the committee.

WFB continues to oppose the underlying perspective that the science is settled on climate change 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; 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. Our desire is to see no new regulatory authority granted in this measure, but if any such authority is included, any resulting programs must be approved by the Legislature prior to implementation. Additionally, we are very concerned about the vehicle miles travelled and green collar job provisions.

We strongly recommend amending the bill to require any program dealing with vehicle miles travelled to also be returned to the Legislature of approval and authority to implement.

ESSB 6580 sponsored by Sen. Chris Marr, D-Spokane, did not clear the House Local Government Committee. The bill began as a means of adding a 14th goal to the Growth Management Act (GMA) addressing climate change. A number of amendments were added to the bill along the way to attempt to make the measure more palatable to the business community, as well as to counties and cities. In the end, only two of seven committee members supported passing the measure out of committee.

By the time it reached the House committee, the bill no longer contained the new GMA goal. It was merely instruction to Dept. of Community, Trade & Economic Development (CTED) to compile resources and recommend actions to counties and cities.

Farm Bureau asked for amendments to make it clear that the work of CTED would not be considered a mandate to local government or grounds for appeal. Local government and business community representative also expressed support for the Farm Bureau amendments.

In committee, Rep. Deborah Eddy, D-Kirkland, offered an amendment that offered improvements and clarifications to the bill, including the "no mandate, no appeal" language submitted by Farm Bureau.

When the chair ruled the amendment out of order, Democrats Eddy and Takko and Republicans Warnick, Schindler, and Schmick voted against passage. Democrats Simpson and Nelson voted in favor.

The House Local Government Committee has a special meeting scheduled for 4:30 p.m. Friday, the very last day to pass such a bill out of committee. The meeting is after the deadline for this newsletter and the action will be reported in the next edition of *LegisLetter*.

Specialty Agricultural Building Permits Bill Advances

The House Local Government Committee passed SB 6609, sponsored by Sen. Darlene Fairley, D-Lake Forest Park, limiting 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 some 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.

Wildlife Bills Advance

The Senate Natural Resources, Ocean & Recreation Committee chaired by Sen. Ken Jacobsen, D-Seattle, moved two important measures dealing with problem wildlife this week: E2SHB 1147 and ESHB 2438, both sponsored by Rep. Joel Kretz, R-Wauconda.

E2SHB 1147 would create a fund to compensate owners of livestock damaged by cougars, bears, or wolves. The measure is supported by Washington Farm Bureau. It is particularly important as we begin to deal with wolves as they move back into the state.

ESHB 2438 would renew the pilot program allowing for the control of cougars using hounds for an additional three years. It would also allow additional counties to opt into the pilot program. This bill moved out of committee without amendments. Farm Bureau supports this measure.

These bills are an important step in ensuring rural residents will be protected from wildlife that stray into inhabited areas and threaten the health, safety, and economic stability of a region.

Y2Y - Why??

On Wednesday, February 27, the House Agriculture and Natural Resources Committee heard testimony about a controversial bill, SSB 5318, sponsored by Sen. Ken Jacobsen, D-Seattle, that would mandate participation of the Department of Fish and Wildlife in the Yukon to Yellowstone conservation initiative (Y2). Farm Bureau testified in opposition to the bill.

The question asked by several skeptical representatives was, "Why?" Why do you need this bill?

The Yukon to Yellowstone wildlife corridor is a huge territory that is 1,900 miles long and anywhere from 100 to 500 miles wide. In Washington, it principally impacts the Northeast portion of our state, almost the entire seventh legislative district, and portions of several other districts.

Farmers and ranchers in the area are universally opposed to the initiative. They see it as the first step in another massive government land grab similar to the Growth Management Act.

About 50 Farm Bureau members traveled from Stevens and Okanogan counties to testify in opposition to the bill. By Farm Bureau's count, at least 8 of the 13 representatives on the committee, and possibly more, are opposed to the bill. SSB 5318 has almost no chance of getting out of the committee, much less passing the legislature.

It startled many that the Department of Fish and Wildlife testified in support of the bill. The department testified that it is already participating in the initiative, that there was no fiscal impact, and that the agency did not need the bill, but it was apparently supporting the concept.

Rep. Joel Kretz, R-Wauconda, stated that the vast majority of his constituents are opposed, Rep. Ed Orcutt, R-Kalama, repeatedly asked what the reason was for the bill, and Rep. Bill Eickmeyer, D-Belfair, wondered why the agency was asking that the legislature **mandate** an action that the agency already had the power to do?

Committee staff pointed out that no other state or province impacted by Y2Y had passed any legislation like this.

The bill's principal proponent admitted that he had not ever met with farmers and ranchers in the area, but testified that he would schedule a trip to the region in early March, as soon as he returned from a planned trip to Hollywood.

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
2SHB 2530	HPA study/Maury Island	S Ways & Means	Nelson	M	S
HB 2558	SEPA waste discharge permits	S Rules 2	Upthegrove	M	W
SHB 2676	Exempting Dairies from Shellfish District Assessments	S Rules 2	Morris	S	S
E2SHB 2815	Climate change, cap & trade, green collar jobs	S Ways & Means	Dunshee	O	S
HB 3106	Comm. on Pest. Registration renamed Comm. on IPM	S Rules 2	Grant	S	S
HJM 4029	Marine conservation	S Rules 2	Liias	M	S
SSB 6231	Marine protected areas	H EPARDPA	Jacobsen	M	S
SSB 6307	Marine managed areas	H EPARDPA	Rockefeller	M	S
ESSB 6308	Climate Change Adaptation Work Group	H EPARDPA	Rockefeller	M	S
SSB 6309	Climate Change - tailpipe emission disclosure	H Rules R	Rockefeller	M	S
SSB 6607	Exempting Dairies from Shellfish District Assessments	H AGNRDPA	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 Ways & Means	Cody	O	C
SHB 2560	Small employer insurance	S Rules 2	Van De Wege	M	C
ESSB 5261	OIC intrusion in individual health insurance market	H 2nd Reading	Keiser	O	C
2SSB 5596	Preferential payment system for chiros	H HCWDPA	Franklin	O	C
ESSB 6333	Promoting single-payer health care systems	H HCWDPA	Keiser	O	C
ESSB 6644	Preferential payment system for optometrists	H HC/Wellness	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 Lab/Comm/RD	Kessler	O	F
ESHB 2626	Suspend U/I waiting period in disasters	S Lab/Comm/RD	Van De Wege	M	F

HB 2655	ESD can waive delinquency penalty	S Rules 2	Conway	S	F
SHB 2963	Collective bargaining for WSU graduate students	S Lab/Comm/RD	Conway	M	F
ESHB 3122	Changing independent contractor test for construction	S Lab/Comm/RD	Conway	M	F
E2SHB 3139	Workers' Comp benefits paid during appeal	S Lab/Comm/RD	Conway	M	F
SHB 3255	Workers' comp coverage for out of state work	S Lab/Comm/RD	Wood	M	F
SHB 3305	Paid Family Leave "Fix"	H Rules C	Dickerson	O	F
2ESB 5723	Agricultural worker safety	H CLDPA	Rasmussen	M	F
SSB 5900	Victims of domestic violence	H Commerce/Lab	Regala	O	F
SSB 6280	Paid Family Leave "Fix"	S 2nd Reading	Keiser	O	F
SB 6447	Unpaid leave for spouse of service member	H CLDPA	Hobbs	M	F
SB 6839	Workers' comp coverage for out of state work	H Rules R	Marr	M	F

Land Use

Bill	Title	Status	Sponsor	Position	Lobbyist
2ESHB 2016	Eminent domain	S Judiciary	Springer	S	W
ESHB 2468	Community and urban forestry	S NR/Ocean/Rec	Van De Wege	M	W
SHB 2525	Flood damage	S NR/Ocean/Rec	Pearson	S	W
EHB 2734	Shoreline bank structures	S Wtr/Ener/Tel	Newhouse	M	W
ESHB 2767	Agricultural structures	S Govt Op & EI	Blake	S	W
E2SHB 2844	Urban forestry	S NR/Ocean/Rec	Kagi	M	W
HB 2909	Forest product resources	S Rules 2	Orcutt	M	S
HB 2920	Eminent domain info pamphlet	S Judiciary	Kessler	S	W
ESSB 6580	Adding climate change element to GMA	H Local Gov.	Marr	O	W
SSB 6609	Agricultural structures	H LGDP	Fairley	S	W
SSB 6805	Conservation markets	H AGNRDPA	Haugen	S	W

Tax & Fiscal

Bill	Title	Status	Sponsor	Position	Lobbyist
HB 1376	Propane used by farmers	H Rules 3C	Ericks	S	C
ESHB 2687	Operating budget	S Passed 3rd	Sommers	M	C
E2SHB 2709	Funding for Local Farms/Healthy Kids	S Ag/Rural/Dev	Hurst	S	S
HB 2733	Nutrient mgmt equipment use flexibility	H Finance	Newhouse	S	C
HB 2751	Beekeeper tax exemptions	H Finance	Chandler	S	C
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	S Rules 2	Hinkle	S	C
HB 3066	Flood Relief	H Approp	Alexander	M	W
HB 3114	Exempting auction sales	H Finance	Grant	S	C
SHB 3116	Biomass tax exemption	H Rules C	Kessler	S	C
EHB 3137	Tax relief for 2007 floods	S Ways & Means	DeBolt	S	C
SHB 3138	Tax relief for natural disasters	H Rules C	DeBolt	S	C
HB 3308	3-yr prop tax exemption for ag	H Finance	Hunt	M	C
SB 6242	Pesticide Fee Increase	H Ag & Nat Res	Spanel	M	S
SB 6298	Transportation budget	S Transportatn	Haugen	M	C
SB 6378	Operating budget	S Ways & Means	Prentice	M	C
SB 6461	Capital budget	S Ways & Means	Fraser	M	C
2SSB 6468	Beekeeper tax exemptions	S Passed 3rd	King	S	C

SB 6482	Grain hauler tax exemption	S Ways & Means	Prentice	S	C
ESB 6641	Ballot information/HB 2545	H FINDP	Regala	M	C
SSB 6723	Animal health inspection fees	S Rules 2	Rasmussen	S	C
SB 6733	Biomass tax exemption	S Ways & Means	Regala	S	C
SSB 6806	Anaerobic digester	S Ways & Means	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 AGNRDP	Sheldon	M	S
ESSB 6348	North/South Water Transfer Restrictions	H Approp	Morton	M	S
E2SSB 6874	Funding for Lake Roosevelt Drawdown	H Approp	Brown	S	S

Other

Bill	Title	Status	Sponsor	Position	Lobbyist
2ESHB 1147	Predator control Funding	S NR/O/Rec DPA	Kretz	S	S
ESHB 2438	Cougar hunting pilot project	S NR/O/Rec DP	Kretz	S	F
HB 2448	Campaign finance report	S Rules 2	Hunt	M	W
SHB 2452	Wildlife rehab committee	S NR/Ocean/Rec	Appleton	M	S
HB 2467	Fertilizer regulations	S Rules 2	Warnick	M	S
EHB 2476	Tribal police officers	S Judiciary	McCoy	M	F
E2SHB 2631	Regulatory assistance office	S Govt Op & EI	Linville	M	W
SHB 2729	Identification documents	S Transportatn	Eddy	M	F
E2SHB 2798	Local Farms- Healthy Kids	S Ag/Rural/Dev	Pettigrew	S	S
HB 2799	State wildlife account	S Rules 2	Loomis	M	S
SHB 2811	Healthy student program	S EL/K-12 Educ	Sullivan	M	S
SHB 2858	Metal property	S Judiciary	Morrell	S	W
2SHB 3227	Hood Canal water quality	S Wtr/Ener/Tel	Eickmeyer	M	S
E2SSB 5106	Emergency plans for animals	H Pub Safety	Jacobsen	M	W
SSB 5318	Yukon to Yellowstone Wildlife Corridor	H Ag & Nat Res	Poulsen	O	F
SB 6187	Food animal veterinarians	H APPEDPA	Shin	M	W
SSB 6273	Farm implements on highways	H TRDP	Haugen	S	C
SB 6283	Apple commission membership	H Rules R	Rasmussen	S	S
SB 6284	Dairy products commission	H Rules R	Schoesler	S	S
2SSB 6483	Local Farms- Healthy Kids	H Approp	Hatfield	S	S
SSB 6609	Agricultural structures	H LGDP	Fairley	M	W
ESSB 6800	Railroad infrastructure	H Trans	Hobbs	M	S
ESB 6821	Fish/wildlife info	H AGNRDPA	Hatfield	M	S

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