



**WASHINGTON
FARM BUREAU**
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LegislLetter

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Budget Deal Reached

The press and various blogs are reporting that lawmakers reached agreement on the 2009-11 operating budget Wednesday evening. House and Senate budget writers are still working out the details, but the House vote could be held as early as today, Friday April 24. The Senate will take the bill up possibly tomorrow, allowing the Legislature to adjourn on time Sunday, April 26.

Farm Bureau is continuing to work against inclusion of a proviso directing the Office of the Insurance Commissioner to study association health plans in the final budget bill.

Income Tax Dead; Sales Tax Ballot Measure Uncertain

Senate Majority Leader [Lisa Brown](#) (D-Spokane) conceded Thursday that insufficient support in her caucus scuttled plans to consider an income tax on 'wealthy' individuals.

Sen. [Jeanne Kohl-Welles](#) (D-Seattle) introduced [SB 6147](#), which would impose an income tax on individuals earning \$500,000 or more (\$750,000 for head of household filers). Brown was said to be considering offering an income tax proposal for individuals earning \$250,000 or more annually. During the first week of session, Sen. [Rosa Franklin](#) (D-Tacoma) introduced [SJR 8205](#), seeking to amend the state constitution to impose an income tax to replace the business and occupations tax and lower the state sales tax rate from 6.5 percent to 3.5 percent.

Meanwhile, House consideration of a proposed three-tenths of one-percent sales tax increase also fell flat late Wednesday. [HB 2377](#), "funding health care and the working families' tax rebate with a voter-approved temporary sales tax increase," by Rep. [Eric Pettigrew](#) (D-Seattle) appeared last week to be on a fast-track for approval by Pettigrew's House Health & Human Services Appropriations Committee. The bill apparently hit a snag with executive action delayed from Friday to Tuesday. HB 2377 squeaked out of committee on an 8-7 vote as two Democrats, Rep. [Mark Miloscia](#) (D-Federal Way) and [Dawn Morrell](#) (D-Puyallup) reportedly joined all five minority Republicans in voting against the bill. House Democrats discussed the bill several times in caucus, but supporters could only muster 25 likely votes in favor of the bill. To pass the bill on the House floor, 50 votes would be needed.

Business Community Scores Health Care Victory

Governor Chris Gregoire signed [SSB 6019](#), "Concerning employee wellness programs," into law on Friday, April 17.

The bill was the result of months of work during the interim by an Association of Washington Business health care reform subcommittee on which Farm Bureau played a key role.

The bill by Sens. [Karen Keiser](#) (D-Des Moines) and [Linda Evans Parlette](#) (R-Wenatchee), would allow health insurance carriers to work with small employers to develop and implement programs that directly improve employee wellness. Participating employers would need to document program activities and could request a reduction in health insurance premiums based on three years of experience. Carriers could then allow a premium discount of up to 20 percent for successful wellness program results.

Labor: Two Days to Go, Will it Get Worse for Small Business?

Thus far only a handful of really bad labor bills impacting small business have passed. But there are two days to go, and two of the most important bills for employers -- Paid Leave and Unemployment Insurance -- are still hanging fire. Here is the status as of Friday morning:

Remember Paid Leave?

This \$100 million dollar plus program that passed in 2007 would create 40 new state jobs to provide a \$250 dollar per week benefit for people who take time off from work due to the birth of a child. If nothing is done, the program will go into effect -- with no money to fund it -- on October 1 of this year.

[SB 6158](#), sponsored by [Sen. Karen Keiser](#) (D-Des Moines), would delay implementation of the unfunded, unimplemented Paid Family Leave program for three years until 2012.

The current law allows L&I to lend money from the workers' comp trust funds to pay for the administrative costs, but not the benefits, to start this program. In 2007/2008, L&I spent \$2 million or so on the issue, and workers' comp funds were paid back (with interest) by a general fund appropriation.

A really bad substitute bill that would allow the governor to start the program based on a recommendation from her fiscal staff was defeated on Thursday.

A good amendment by [Sen. Zarelli](#) (R- Ridgefield) would remove the ability of L&I to raid workers' comp trust funds to pay for the program. The amendment was adopted on Thursday. Farm Bureau supported the Zarelli amendment. Farm Bureau also supports repeal of this program. But that is not likely to happen anytime soon. It looks like the Legislature will 'kick the can' on this program for another few years.

Unemployment Insurance Conformity

[SB 5963](#), sponsored by [Sen. Jeanne Kohl Welles](#) (D-Seattle) was a good bill when it left the Senate. But the House added several bad amendments, including a new 4 percent permanent benefit increase, on top of the \$250 million in temporary benefit increases already approved this year.

The Senate received SSB 5963 from the House on April 10. Farm Bureau and other business groups are working with key senators to remove some of the House amendments.

The Senate has a few options available. It can refuse to concur with the House amendments and ask the House to recede from its position, send the bill to a conference committee, or simply let the bill die on the calendar.

This is truly a high stakes issue, since the federal government has told our state that we must fix our U/I system or face severe penalties, possibly losing federal funds for our unemployment insurance system. However, the bill as amended by the House would impose significantly greater burdens on employers already struggling to stay afloat in this difficult economy.

Farm Bureau supports SSB 5963 as it passed the Senate and strongly opposes the House amendments. We urge Senators to not concur with the House changes.

Human Trafficking: Chandler's Efforts to Curb Anti-Business Legislation Fail

[Rep. Bruce Chandler](#) (R-Granger) worked hard to revise a bill that would require employers to provide a disclosure statement to non-citizens who come to Washington based on an offer of

employment. Failure to provide that disclosure would be a violation of the consumer protection act, and could subject the employer to expensive lawsuits and triple damage awards.

In the end, Chandler's efforts were unsuccessful, as the bill passed the House by the narrowest of margins, 50-48, but many Democrats joined every Republican in opposition.

The bill, [SB 5850](#), sponsored by [Sen. Jeanne Kohl-Welles](#) (D-Seattle) is titled, "Protecting Workers against Human Trafficking Violations." The bill has good intentions, but many flaws, and unless fixed, could cause big headaches for farmers and other unsuspecting small business owners.

SB 5850 passed the Senate on concurrence by a vote of 37-12 and now heads to the governor's office. Farm Bureau will urge a veto for several reasons.

First, there are an estimated 30 million legal permanent residents in the U.S. Thousands of them come to Washington each year based on an offer of employment, from farm workers to college professors. This bill would require every one of them to receive some kind of brochure from the employer about human trafficking. If the employer does not provide the brochure, the employer is liable under the consumer protection act.

At this point, if an employer does not provide the disclosure, we are not sure who could bring the lawsuit and the extent of liability for an employer. Farm Bureau is working with the Attorney General's office to determine the scope of the bill.

There is another problem. One of the targets of SB 5850 is agriculture employers who are trying to use the administratively complex federal H-2A guestworker program to obtain a legal and stable workforce. The H-2A program is already too complex. Workers receive a stack of disclosures, and one more is not likely to help -- other than to attract lawyers to sue the farmers for not giving out a document. Since there has never been a documented case of an H-2A worker in Washington who was subjected to human trafficking, the bill does not make sense.

Let's leave farmers out of bills about human trafficking, and focus on helping them get a legal and stable workforce.

Senate Amends Water Partnership Eminent Domain Bill

[HB 1332](#), originally sponsored by [Rep. Roger Goodman](#) (D-Kirkland), was amended again by the Senate on Thursday.

The bill is intended to allow the Cascade Water Alliance, a coalition of several East King County Cities, to assume the power of eminent domain.

Washington Farm Bureau testified against the bill in the House and Senate, arguing that transferring eminent domain authority to a water partnership would remove accountability to the voters.

WFB testimony outlined a potential scenario where elected officials on the partnership board would vote against taking property in their own city, while the other officials voted for taking the

property. The role of heroic defender would pass around the table until all the properties were taken through eminent domain, yet each official could go back home and claim he/she tried protecting constituents' rights.

If the city had to take the property through a vote of the city council, then the targeted property owner and neighbors could attend the council meeting and perhaps be persuasive in their efforts to defend the rights of the property owners.

Under HB 1332, the delegation of authority is more likely to result in such efforts falling on deaf ears.

Farm Bureau compared the scenario to the New London Development Corporation. In the now-infamous *Kelo* case, the City of New London, Connecticut, transferred eminent domain authority to the NLDC, which then took the homes of Susette Kelo and her neighbors. In that case, the city council argued that it was not their own action that took the homes.

[Senator Mike Carrell](#) (R-Lakewood), successfully amended the bill April 21, to require a city council to explicitly approve that taking of property within their jurisdiction. The House refused to accept the amendment.

Yesterday, the Senate amended the bill again to say that the watershed partnership must provide notice to the city, town, or county with jurisdiction over the subject property by certified mail 30 days prior to the partnership board authorizing condemnation.

The bill now goes back to the House for consideration of the amendment.

Washington Farm Bureau continues to oppose HB 1332, believing that the power of eminent domain should not be transferred to another entity.

Chilly Climate for Cap and Trade Bill

At press time, the "Cap and Trade" bill [E2SSB 5735](#), sponsored by [Sen. Phil Rockefeller](#) (D-Bainbridge Island), is still awaiting action in the Senate.

As passed by the House, the measure would keep Washington engaged in the Western Climate Initiative (WCI) process and continue the state's march toward meeting greenhouse gas emission reduction standards established last year.

Perhaps the most troubling element in the bill is the direction to regional transportation planning organizations to develop and implement plans to reduce greenhouse gas emissions, including vehicle miles traveled (VMT) benchmarks. This proposal runs ahead of the process by setting in place a planning/regulatory structure prior to the state providing the necessary guidance to allow such a process to succeed. The state needs to complete the homework tasks assigned by the Legislature before any additional programs are etched in stone. VMT may well need to be addressed, but let's get our facts in order before giving a regional entity the unfettered ability to make policy and regulate without direct state oversight. In addition, we foresee this policy creating a whole new venue for litigation related to growth management act planning.

Washington Farm Bureau believes this bill completely misses the mark. The only legislative direction needed this session is that of directing a careful analysis of the economics of carbon policy. We need to know if actions such as VMT reductions and carbon emission reductions will impact the environment and at what cost to the citizens and businesses of our state.

As such, we oppose passage of E2SSB 5735.

Bills of Interest

Please note that since some bills have “died” there are two versions of bill tracking posted on our website. Please check the file name and date to distinguish between the two. Since there is always a chance a bill may be “revived,” even at this late date, 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

7th Annual Fairway Classic

Support the Future of Agriculture: Play Golf!

Join us for this fun event, benefiting The Washington Farm Bureau Young Farmers & Ranchers (YF&R) program.

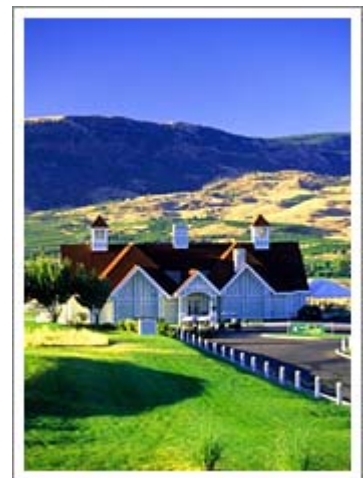
Who: You! Your family! Your friends! The event and sponsorship opportunities are open to the public

What: 7th Annual Farm Bureau Fairway Classic

Where: The Highlander Golf Course in Wenatchee

When: Saturday July 25

Onsite check in starts at 11 a.m. and the shotgun start is at noon. The dinner and awards program begins at 5 p.m.



If you are interested in playing or would like to sponsor a hole, [please contact Margaret Warren](#) at (800) 331-3276 to register. Teams are accepted on a first come, first served basis, so call today!

Fees are as follows:

Team of four: \$340

Individual player \$85

Hole sponsorship: \$300

Your entry fee includes greens fees, golf cart, bottled water, range balls and dinner. You are also eligible to win awards and prizes!

Funds raised at the Farm Bureau Fairway Classic support the [YF&R programs that strive to secure the future of American agriculture.](#)

Where & When

[Highlander Golf Club](#)

2920 8th Street SE

East Wenatchee, WA 98802

July 25, 2009

11 a.m.-7 p.m.