



Capitol View

Legislative Session Summary for the Tree Fruit Industry

January 13, 2009

Welcome to the first edition of "Capitol View" for the 2009 session of the Washington State Legislature. The purpose of Capitol View is to keep producers informed about legislative policy and budget proposals that affect your operations and your bottom line. Capitol View also will keep you apprised of what WSHA is doing to protect the interests of the tree fruit industry, and we'll let you know what you can do to help.

The state Legislature opened for business on Monday, January 12. The long budget session lasts 105 days, during which the legislature's top priority will be to close the budget gap. The deficit is expected to top \$6 billion by March, when the state Economic & Revenue Forecast Council will give budget writers a new estimate of how much money they'll have to spend in 2009 - 2011.

The legislature is welcoming 19 new members and switching up leadership of committees. In the Senate, many agricultural issues will be handled in the Agriculture & Rural Economic Development committee. The committee's new chairperson will be Sen. Brian Hatfield (Raymond), former committee vice chair

and a long-time ag committee member. The House Agriculture and Natural Resources Committee also has a new chair this year: Rep. Brian Blake (Aberdeen), whose education and work experience has centered on forestry and environmental studies.

Issues to Watch:

- **Budget and taxes:** Gov. Gregoire was true to her campaign promise not to propose new taxes when she released a proposed biennial budget in late in December. The Senate and House will release their budget proposals in March, after the next budget forecast.

Some of the cuts to agriculture that Gov. Gregoire proposed include:

- Integrated Pest Management (\$28,000) funding eliminated for the Interagency IPM Coordinating Committee.
- Weed Control Grants reduced by \$400,000 funding for local weed control, including knotweed.

Budget cuts for the current fiscal year, which the governor implemented in August, include eliminating one of the staff for the new Farm-To-School program and cutting some funding that the "From the Heart of Washington" uses for market promotion and fighting trade barriers.

- **Unemployment Insurance** will be on the table again this session with the legislature obliged to revise the unemployment insurance system to comply with federal requirements. Changes will center on the state eligibility standards for seasonal jobs. The state also may have to address the formula used to tax employers, who currently are required to pay unemployment taxes based on the unemployment rate in their business sector. According to the Washington Alliance for a Competitive Economy 2008 Redbook, Washington's unemployment costs per worker are \$803, second highest in the nation.
- **Climate change** is a hot topic in the legislature, which last year directed the Department of Ecology to assess the potential for agriculture to develop and market carbon offsets or other credits as part of a regional greenhouse gas cap and trade system. The legislature created a workgroup to do the study, and Agriculture Sector Carbon Market Workgroup has finalized a report that estimates Washington agricultural producers could sequester or capture as much as 7 million metric tons of greenhouse gases from the atmosphere. The report suggests that Washington's farmers and ranchers could profit from selling carbon credits under a free-market system to reduce the emissions that cause climate change.
- **The Department of Ecology** may request a fee increase for burning agricultural wastes, including debris from orchards.

By the end of January, more than 1,000 bills will have been introduced. So far, however, the most interesting bill may be that which would establish Aplets & Cotlets as the state candy! The following editions of Capitol View will track proposed legislation that could have significant impact on the industry or bills in which members have indicated keen interest.

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