



Capitol View

Legislative Session Summary for the Tree Fruit Industry

March 12-25, 2009

More than \$500 million evaporated from the 2009-11 budget last week when the Economic and Revenue Forecast Council estimated that the Legislature would have about half a billion less for the 2009-11 operating budget than forecast in November. The forecast places the deficit at about \$8.7 billion, assuming that about a billion is left in reserves to address gaps that might occur if the next economic forecast, on June 18, shows a continued decline in the economy. The governor's budget director said he's hoping the Legislature writes a budget that gives Gov. Gregoire the latitude to adjust the budget during the legislative interim, rather than calling lawmakers back to Olympia for one or more special sessions.

The new drop in revenue caused the House and Senate to delay the release of budget proposals, which were to have been out this week. Budget writers are now working out the additional cuts and may unveil their budget proposals next week. The Senate Ways & Means vice chair Sen. Rodney Tom said the cuts in the Senate budget would be nearly twice as deep as those proposed by Gov. Gregoire last Dec. Tom said the Senate would propose an "all-cuts" budget; it will not rely on tax increases to bridge some of the budget gap.

Budget proposals, however, likely will be followed by tax or revenue

to \$2 billion, raised through increases in selected taxes. That coalition hit a stumbling block yesterday when three key labor unions pulled out. Meantime, Gov. Gregoire appears to be testing legislative support for selling state bonds to raise money for "green" infrastructure and technology upgrades at K-12 schools. The bond package also would go before voters.

Agricultural communities around the state may experience the affects of the budget deficit most acutely in devastating cuts to Washington State University.

However, WSU is taking steps now to protect the school's extension service mission. Earlier this week WSU announced plans to reorganize the statewide WSU Extension. The university said making the Extension of the College of Agricultural, Human and Natural Resource Sciences would result in administrative savings elsewhere.

WSU President Elson Floyd has stated that extension programs are a critical part of the university's role as a land-grant institution. Pres. Floyd said service to the state's agricultural industry and to families throughout the state would continue without significant change. John Gardner, vice president for economic development and extension, has been assigned a new role leading the university's international programs office and economic development initiatives.

The alphabet soup before a bill number tells you something about how controversial it is. The governor's proposal to address climate change is E2SSB 5735. The bill has been amended many times and is a much less aggressive piece of legislation than it began. It's scheduled to move out of the House Committee on Ecology & Parks on March 27 — if there are enough votes.

As amended the bill requires the Dept. of Ecology to set industry standards for carbon dioxide emissions and to develop criteria for giving businesses "credit" for strategies that offset emissions, such as renewable energy, energy efficiency, and reforestation projects. The bill also requires the State Dept. of Transportation to implement an electric vehicle and alternative fuel vehicle infrastructure program. The best news about this bill may be that it requires an economic analysis of the real cost to businesses and consumers of reducing greenhouse gas emissions.

By March 30 bills must have been voted out of policy committees in order to remain viable. The exceptions are bills "necessary to implement the budget" — and anything else that legislators or the governor really want or need.

WSHA BILL WATCH
WASHINGTON STATE HORTICULTURAL ASSOCIATION BILL
WATCH
March 12, 2009.

The 2009 session of the state Legislature began on January 12, 2009 and lasts for 105 days. A record number of proposals were introduced and considered for a 60 day session. Click on the bill numbers below to see more information about each bill.

<u>Number</u>	<u>Subject</u>	<u>Status</u>
CLIMATE CHANGE		
<u>SB 5735</u>	Reducing greenhouse gas emissions.	House Ecology & Parks
LABOR		
<u>SB 6035</u>	Limits activities for which employers may use refunds of work-injury premiums.	House Commerce & Labor
<u>HB 1896</u>	Creates the Essential Worker Pilot Program.	Dead House Commerce & Labor
<u>SB 5831</u>	Creating the Washington state essential worker pilot program.	Dead Senate Labor Commerce
<u>HB 1711</u>	Modifies provisions regarding the computation of median wages for unemployment compensation purposes.	Dead House Commerce & Labor
<u>HB 1990</u>	Exempting language service providers from the definition of employment and worker for the purposes of unemployment compensation and industrial insurance.	Dead House Commerce & Labor
<u>SB 5771</u>	Exempting language service providers from the definition of employment and worker for the purposes of unemployment compensation and industrial insurance.	Dead Senate Labor Commerce
PERMITTING		
<u>SB 5120</u>	Stipulates that the permitting fee for an agricultural structure may not exceed the lower of the actual cost of administration, or \$75. Defines "specialty agricultural structures" as structures that are designed and constructed to house farm equipment, hay, grain, poultry, livestock, and other horticultural products.	House Gov Ops
PEST CONTROL		
<u>HB 1682</u>	Allows a member of a county horticultural pest and disease board to be a nonresident who	Senate Rules

owns property in the county and is involved in the primary and commercial production of horticultural products.

PROPERTY

HB
1242 Allows people who lease land to bring legal action against the property owner if the owner causes the lessee to lose the opportunity to harvest an agricultural crop. Dead House
Judiciary

HB
1295 Allowing annexation of county-owned fairgrounds only with the consent of the majority of the board of county commissioners. Senate Ag

TAXES

SB 5911 Requires ag producers with revenue greater than \$200,000/year to pay the state Business & Occupations tax; farm auctions would be subject to the state sales tax. Senate Ways &
Means

HB
1232 Defining commercial agricultural purposes to include current farming practices and activities related to the raising, harvesting, feeding, breeding, managing, selling, care, or training of a farm product. House Finance

HB
1557 Requiring that first-year taxes paid on new farm structures be used to offset any permit and inspection fees. House Local
Government

HB
1815 Clarifies eligibility for open space tax exemption. Standing crops with an expectation of harvest in 15 years -- on parcels of 5-20 acres -- remain eligible. Includes grapes, tree fruit, asparagus and other "wait to harvest" commodities. No income threshold for individual parcels or aggregated adjacent parcels totaling more than 20 acres. Senate Ag

SHB
2275 Exempts propane used by farmers for off-highway purposes from sales and use taxes. The Farm Bureau estimates the measure could save farmers \$4.8 million during the next two years. Senate Ag

WATER

HB
1268 Eliminates the partial relinquishment of water rights. Dead House Ag

SB 5299 Directs the Department of Ecology to Dead Senate

aggressively pursue the development of storage, conservation, and other actions to provide water supplies to benefit both instream and out-of-stream uses.

Environment,
Water & Energy

HB
1334

Concerning water resource management on the Columbia and Snake rivers.

House Ways &
Means

SB 5533

Defines the process for a "limited" water rights adjudication process when the issues requiring determination of water do not affect every water right holder in a basin. The Yakima River Basin Surface Water Adjudication is the only general adjudication currently in process and is nearing completion.

Senate Rules

HB
1571

Defines the process for a "limited" water rights adjudication process when the issues requiring determination of water do not affect every water right holder in a basin. The Yakima River Basin Surface Water Adjudication is the only general adjudication currently in process and is nearing completion.

Senate
Environment &
Water

SB 5839

Revises several rules for irrigation district management, including electric power authority, director compensation, and district liability.

House Local
Government