



Dated: 2/22/10

The 2010 legislative session is more than half over. Any bill that did not pass its house of origin last week died. Bills relating to the budget are exempt from cutoff and remain alive. The focus will now shift as both the House and the Senate plan to release their draft budgets early next week.

### **Budget**

Two different philosophies are emerging to fill the gap between revenue and planned expenses. One would increase taxes on non-necessity items including candy, pop, bottled water, and cigarettes. The group of legislators favoring this strategy would also increase the tax on hazardous materials including all petroleum products, pesticides, and many fertilizers.

The other philosophy focuses on a temporary increase in the sales tax. The Republican caucuses feel the budget could be balanced by cutting government expenses rather than increasing taxes. This appears to be an unlikely scenario as majority Democrats have already voted to suspend Initiative 960 limits, paving the way for new taxes.

Less obvious budget balancing maneuvers include eliminated tax preferences and sweeping accounts with positive balances, transferring saved money into the general fund to be spent elsewhere. (The Department of Agriculture has many such funds.)

### **Employment**

Business groups began the session with high hopes for reforming both the unemployment insurance and workers compensation systems. Both efforts failed to pass last week's cutoff. Business interests had backed a bill that would have smoothed out the spikes in unemployment insurance costs. Labor unions hoped to expand unemployment benefits. It is likely both proposals will be back next year.

### **Bills To Watch**

HB 2591 is an effort to recover the actual cost of processing applications to change, transfer, or amend an existing water right. It creates fees ranging from \$2,000 - \$25,000 depending on the

amount of water in the application. It also creates new fees for water storage permits. This bill is opposed by business and agricultural interests.

2SHB 2603 requires agencies to provide small businesses with a copy of the law or rule being violated and to allow at least two business days for correction before a fine, a civil penalty, or an administrative sanction is imposed. This bill also changes the definition of a small business to one with 50 or fewer employees or gross revenues of less than \$7 million annually.

HB 3181 / SB 6851 would triple the hazardous substance tax paid on all petroleum and pesticide products and some fertilizers.

E2SSB 6267 is the Department of Ecology's bill to authorize an expedited processing procedure for some water right applications. Initially opposed by most business and agricultural groups, the bill has been amended and is now widely supported. It also authorizes an alternative cost-reimbursement process for water right applications.

ESSB 6289 would ban fertilizer containing phosphate from residential turf, make it illegal to apply fertilizer to an impervious surface, and require spills to be cleaned up immediately.

SSB 6349 establishes a farm internship program for farms with annual sales under \$250,000. Farms seeking to employ interns must submit an application to the Department of Labor and Industries including a description of the type of work to be performed by the farm intern. Interns are exempt from minimum wage and from unemployment insurance.

SSB 6520 extends the temporary prohibition on counties and cities from amending or adopting critical areas ordinances (CAOs) as they apply to agricultural activities until July 1, 2011. Counties and cities that are subject to the temporary prohibition are required to review and, if necessary, revise their applicable CAOs by December 1, 2012. This bill also grants the William D. Ruckelshaus Center one additional year to complete its examination of the conflicts between agricultural activities and CAOs adopted under the Growth Management Act.

SSB 6521 requires all state agencies to complete an agriculture impact statement developed by the Conservation Commission before acquiring any interest in real property other than a water right.

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### **WALP & WSNLA Continue Prevailing Wage Discussion With L & I**

WALP Members Jay Curcio and Tina Scoccolo, along with WSNLA Executive Director Jeanne McNeil, and WALP Lobbyist Heather Hansen met with Steve McLain and David Soma from the Department of Labor & Industries and representatives from the Laborers Union and the Operating Engineers Union on February 17, 2010 to discuss the scope of work for landscape construction prevailing wage work.

The meeting went well with Steve McLain describing a variety of jobs and both landscape and union representatives describing which tasks fit into which scope of work. There was very little disagreement. Any work involving heavy equipment or grading is clearly construction work. Jobs done with equipment under 90 hp involving spreading top soil and planting are landscape work. During the discussion, the Laborer's representative agreed that union members aren't interested in planting.

The union representatives pointed out that they are concerned about loss of jobs as are the landscape contractors. There was discussion about how the downturn in the housing market and private construction has caused more firms to compete for prevailing wage work. Some of these firms may not understand prevailing wage law.

Heather pointed out the unique knowledge landscapers have about plants and soils that allow projects to be successful. A construction worker without this specialized knowledge would have a lower success rate of installing appropriate plants and keeping them alive.

Jay clearly described the problems with bidding. Tina expressed appreciation to the groups for all the work on this issue.

Heather is following-up with L&I and is expecting a written response within a few weeks.

*Questions on any of the topics addressed in this "WALP Watch"? Contact the WALP Office at [info@walp.org](mailto:info@walp.org) or (425) 967-0729.*