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The 2010 Regular Session adjourned on March 11<sup>th</sup> with numerous issues still up in the air, including a balanced budget. Therefore, the 2010 1<sup>st</sup> Special Session will begin on March 15<sup>th</sup> that will include tackling tax and budget proposals.

At this time, there are proposals that would dramatically increase fees for applying for or changing a water right. Another bill would increase the hazardous materials tax on petroleum products, pesticides, and fertilizer.

The draft budget proposes to cut some funding to the Washington State Department of Agriculture for knotweed control and monitoring of gypsy moth and sudden oak death. It appears likely that WSU Ag research will be cut four to five percent, although it is not yet known which programs would be affected.

Several taxes were proposed during the regular session but failed. These include applying the B&O tax to wholesale sales of agricultural products, including nursery products, and applying the sales tax to pesticides and fertilizer used in agriculture.

Unfortunately, no progress was made during the regular session on reforming workers compensation or unemployment insurance. These issues will be back next year.

Several bills passed that may be of help to some of you:

HB 2603 – Small Business Compliance – Requires agencies to provide small businesses with a copy of the state law or agency rule being violated and to allow a period of at least two business days for the small business to correct the violation before a fine, civil penalty, or administrative sanction is imposed. The definition of a small business is changed to include a business with gross revenue of less than \$7 million annually, as well as a business with 250 or fewer employees.

SB 6208 – Allows temporary agricultural directional signs to be placed within the state highway right-of-way if the sign does not create a safety concern. This allows more options for promoting on farm sales. Permits and fees may be required.

SB 6349 – Creates a farm internship pilot project for San Juan and Skagit Counties. It would allow small farms to employ up to three farm interns per year. The program is intended to be educational and based on the curriculum of an educational or vocational institution. Farm interns are not considered employees for the purpose of minimum wage or unemployment compensation. Labor & Industries will create a special class for farm interns allowing employers to pay lower workers compensation rates.

SB 5899 – Appears to have passed. It authorizes a credit against the state's business and occupation tax for businesses with 10 or fewer employees that create a new position for which a health care plan is offered through June 30, 2011.

Stay tuned for updates on the Special Session and final outcomes.

*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.*