

# WA FOOD INDUSTRY WEEKLY BILL REPORT / Generated 04/23/2009

## Washington Food Industry

### HIGH PRIORITY BILLS

	<u>Position</u>	<u>Status</u>	<u>Sponsor</u>
<a href="#">HB 1189</a> <b>Requiring retail carryout bags to be compostable by August 1, 2009. Included local preemption of bans, taxes and fees.</b> (Dead)	Concerns	HEnv Health	Chase

This bill would have been a vehicle for preempting local government's ability to ban or apply a fee to carryout bags. It was hoped that the bill would move so that we could have also used it as a vehicle for mandatory recycling rather than forcing a move to compostable or biodegradable bags.

Required all carryout bags to be compostable and banned plastic carryout bags not deemed reusable. Also contained a provision we supported and needed that would have stopped individual cities and counties from implementing bans or fees.</p>

<a href="#">SHB 1244</a> <b>2009-2011 Operating Budget</b>	Concerns	HRules R	Linville
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Expands state liquor stores (10 contract, 5 state owned)</p>  
Only includes retro money for continuation of study</p>  
Includes money for exparte contact bill</p>  
Takes \$7 million from litter tax fund</p>

Medicaid reimbursement changed in supplemental to AWP -16 from -20.</p>  
Changed diversion from litter tax fund to \$4 million</p>

Makes 2009-2011 operating appropriations.

<a href="#">SHB 1402</a> <b>Restricting ex-parte contact in workers' compensation</b>	Oppose	SPres Signed	Williams
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This bill will increase the cost of workers' compensation claims and increase time loss by restricting contact with injured worker medical providers after appeal has been filed. It is seen as a first step in a broader agenda that would try and restrict all contact.

Bill continues to move and passed the House of Reps 55-42. It is still a bill that will increase workers' compensation costs for cases on appeal. We will be aggressively opposing this bill in the Senate.

Negotiations are going to be held between business, labor and the trial lawyers in hopes that a compromise can be reached.

Still moving -- doesn't appear to be too much interest in amending on the part of legislators.

Bill received concurrence vote and it is now going to the Governor.

We need letters going to the Governor asking her to veto this bill.

Restricts contact with medical providers after appeals have been filed under industrial insurance.  
Provides that the act applies to orders entered on or after the effective date of the act.

<a href="#">SHB 1528</a> <b>Worker Privacy/Employer Gag</b> (Dead)	Oppose	HRules R	Sells
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This bill is considered THE labor bill of the session and is moving through quickly. An informal attorney general opinion ruled that it was usurping federal authority so the bill has been amended to reflect some of the concerns. However, it will apply penalties and other liabilities to legitimate free speech situations.

Prohibits an employer from requiring an employee to attend a meeting, or listen to, or respond to, or

participate in, any other communication when a purpose of the requirement is to ensure that employees receive communications relating to political or religious matters or to influence the employee's beliefs, opinions, or actions about political or religious matters. Requires an employer to post a notice of employee rights in a conspicuous place accessible to the employees at the employer's place of business.

[SHB 1683](#) **Increasing Penalties for Consumer Protection Action Violations** Oppose SLab/Comm/CP Kirby

A meeting is scheduled for Friday, the 20th with other business reps to talk about impacts of this bill. Hearings are scheduled for next week.</p>

Increases the treble damage awards under the consumer protection action from a \$10,000 cap to a \$25,000 cap. This is above the rate of inflation.</p>

Also applies consumer protection act to isolated violations instead of a pattern of violations.</p>

[HB 1947](#) **Street Utility Tax bill** Oppose HTrans Simpson  
(Dead)

Significant tax change that would directly and negatively impact businesses with high traffic volume

Sets up a taxing structure that forces more taxes to be paid by businesses who have "high traffic volume" for maintenance of streets and roads.</p>

[SHB 2010](#) **Concerning state funding for local projects. - INCLUDES VEHICLE MILES TRAVELED PROVISION** Oppose SRules 2G Dunshee

This bill requires local governments to include strategies for reducing vehicle miles traveled in their transportation plans

Declares that it is the intent of the legislature that state funded capital projects create a net gain in economic activity, limit land use patterns that contribute to the production of greenhouse gases, and result in certain benefits to communities and the business environment. Requires the public works board, in awarding loans, to consider whether the local government has adopted policies to reduce greenhouse gas emissions that at least include policies consistent with certain requirements. Requires the community economic revitalization board to: (1) In awarding loans and grants, consider whether the applicant has adopted policies to reduce greenhouse gas emissions that at least include policies consistent with certain requirements; and (2) As part of the approval process, consider whether the sponsoring local government has adopted policies to reduce greenhouse gas emissions that at least include policies consistent with certain requirements. Requires the transportation improvement board, under certain conditions, to consider the land use implications of a project, such as whether the programs and projects are located in jurisdictions that have adopted policies to reduce greenhouse gas emissions that at least include policies consistent with certain requirements.

[EHB 2040](#) **Implementing the recommendations of the Joint Beer and Wine Task Force** Support SPassed FP Conway

Good bill that implements significant changes made during Beer and Wine task force meetings during 2008 interim. WFI led industry coalition that drove most of the discussion.

Passed Senate and on its way to Governor for signing.

Bill passed the Senate last night and is on its way to the Governor's Desk

Changes provisions in liquor laws to address financial interest in multiple industry tiers, money's worth provisions and price posting.

[HB 2321](#) **Expanding Liquor Store Product Sales** Oppose Hways & Means Conway  
(Dead)

Bill is considered dead but we are looking at budget language to make sure it wasn't snuck in there.</p>

This is a companion to the Senate bill that died in the Senate -- 5877. The bill does the same thing -

- allows state owned liquor stores to sell "other liquor-related products" which they say will mean barware, wine glasses, gift bags and baskets, etc...

[SHB 2348](#) **Regarding surcharges on fee-based activities related to public health. Includes local health department inspections** Oppose H2nd Reading Moeller

Right now it does look like this bill will move.

Bill was amended in committee. All surcharges on pharmacists or health inspection fees were removed. Surcharge only applies to death and birth certificates.

Oppose surcharge on behalf of pharmacists and also oppose surcharge on health inspection fees due to costs for grocery.

[EHB 2358](#) **Increasing liquor license fees limited to fees for beer and/or wine restaurants; taverns; snack bars; combined beer and wine retailers; grocery stores; beer and/or wine specialty shops; passenger trains, vessels, and airplanes; spirits, beer, and wine res** Monitoring HPassed 3rd Conway

Grocery fee would increase from \$150 to \$166

Senate has yet to take action but money is assumed in budget so it is expected to happen in the next few days.

Reviewing for cost impact and priority

[SHB 2377](#) **Funding health care and the working families' tax rebate with a voter-approved temporary sales tax increase.** Oppose HAPPHDPS Pettigrew

[ESSB 5225](#) **Felony Theft Threshold Increase** Oppose HPub Safety Kline

This bill came out of committee with many provisions we asked for from the sponsor. However, the amount the threshold is raised to is \$1,000 which we cannot support. WFI is working to reduce this number which could lead to our support of the bill.

Money put in both House and Senate budgets which are keeping this issue alive. We have sponsors for our amendment if the bill passes to achieve the \$5 million in "savings" for the state.

Still waiting to hear the fate of this bill -- the money is still assumed in the budget but the bill remains in committee.

Raises felony theft threshold from \$250 to \$1,000. </p>

Allows for better communication between prosecutors in different jurisdictions and also sharing of costs.</p>

Increases civil penalty ranges.</p>

Increases ability to aggregate lesser crimes.</p>

[SSB 5446](#) **Employee Privacy/Employer "Gag Rule" Bill** Oppose SRules X Prentice  
(Dead)

Prohibits an employer from requiring an employee to attend a meeting, or listen to, respond to, or participate in any communication relating to political or religious matters. Requires an employer to post a notice of employee rights in a conspicuous place accessible to the employees at the employer's place of business.

[SSB 5531](#) **Consumer Protection Act Violations Penalty Increase** Oppose Del to Gov Regala

Bill continues to move. Has been modified to match the less impactful House bill except that it still contains language allowing suits to be brought by AG that aren't deemed in the "public interest"

Bill passed the House and now moves back to the Senate. No amendments hung so it still has the bad language removing the requirement that the AG only go after for CPA violation if in the public interest.

Allows awards up to \$50,000 for violations of the consumer protection act -- this is significantly higher than an inflationary adjustment. Removes the requirement that a plaintiff prove a public interest element. Creates new level of liability.

[SSB 5600](#) **2009-2011 OPERATING BUDGET** Concerns SRules 2 Prentice

Has money for implementation of Retro bill  
10 contract stores and 5 state-owned in expansion  
</p>

Makes 2009-2011 operating appropriations.

[E2SSB 5735](#) **Reducing greenhouse gas emissions.** Oppose HPassed 3rd Rockefeller

Requires local governments to have meet reduction in vehicle miles traveled goals by 2050 to reduce greenhouse gas emissions.

INCLUDES VEHICLE MILES TRAVELED PROVISION

[SSB 5834](#) **Omnibus Liquor Bill -- Industry introduced** Support Del to Gov Kohl-Welles

This bill is an omnibus bill that contains provisions which would allow retailers greater flexibility to use EFTs for beer and wine purchases and also to transfer limited amounts of beer and wine between stores under common ownership.

Bill has passed through both houses and is on its way to the Governor.

This bill contains several agreed to provisions -- among them changes to allow greater flexibility for retailers to use electronic fund transfers in the purchase of beer and wine and also to allow limited transfer of product between stores under common ownership.

[SB 5877](#) **Liquor Store Product Expansion** Oppose SRules X Prentice  
(Dead)

Allows greater competition by state with private grocery stores. Liquor related products is unlimited and very concerning. Right now it's bagged ice and barware but tomorrow could be mixers and snacks?

This takes money directly out of private sector grocers simply to make the state coffers look better. Doesn't evaluate the tax impact.

This bill is still considered to be under discussion.

Allow state-owned liquor stores to sell liquor and "liquor-related products"

[2SSB 5945](#) **Creating the Washington health partnership plan.** Oppose SPassed FP Keiser

Bill has passed. It's rather innocuous in terms of what it does this year. But it has language that sets up processes to look at health care plans in the future. It offers up Washington as a pilot project for any federal government reform.

This bill requires the legislature to implement one of the plans being looked at by the current Mathematica study that "reduces costs". So far all of these require a significant payroll tax -- and the one that would be implemented would most likely be a "Wisconsin-style" plan that has a payroll tax that would cost the state \$25 billion over 10 years.

[SSB 5963](#) **UI Conformity Fix, Tax Rate Reduction and** Support HPassed 3rd Kohl-Welles

## **Change to Voluntary Quit Statutes**

This is the UI conformity bill which mitigates the move back to 2 quarters of benefit payments by reducing taxes throughout the array. It also contains a very necessary fix to the Spain/Batey court case which loosened rules as to when people who voluntarily quit their jobs and still collect benefits -- 5963 limits benefits to people who voluntarily quit their job to those reasons that have been enacted and reenacted by the Legislature two times.

Amended in the House committee with a striker that increases benefits to workers and expands voluntary quit language so employer taxes will increase. If this amendment hangs on the House floor, WFI and business community will be forced to oppose bill.

Bill is out of rules but still no word on when it will move. Discussions continue to try and pull Commerce & Labor bad amendments off of the bill.

As of 9:45 on Thursday, 4/23, we are still waiting for action in the Senate on the bill to determine whether we are going to have a second chance in the House.

Moves employer benefit payments back to being based on 2 high quarters of earnings to maintain conformity with federal law. Reduces tax rates and lowers maximum rate caps to mitigate overall impact. Reaffirms limited voluntary quit list to address recent court case which expanded qualifications in voluntary quit situations. Allows benefit qualification in situations where quit was because of spousal relocation to make change in order to receive federal dollars.</p>

[ESSB 5978](#)

**Creates new consumer rebate requirements and liability.** Concerns SPassed FP Haugen

Met with GOP and Dem leadership on Committee and also committee staff regarding concerns. Discussed clarifying language that will be brought up at hearing on Friday.

Amended bill in committee to distinguish that person offering the rebate is the entity offering the money, not the entity processing the rebate.

Bill passed with our amendment and goes back to the Senate for concurrence. Senate sponsor okay with amendment so this shouldn't be a problem.

Bill passed and is on its way to the Governor's desk with our amendment to fix it intact.

Needs to be fixed to ensure that retailer is not held liable for manufacturer rebates when the manufacturer violates the law.

[ESSB 6035](#)

**Retrospective Rating Program Reform** Oppose HRules R Kohl-Welles

This bill significantly interferes with the contracts of retro programs and makes changes that while politically intended to stop BIAW spending on elections - instead the bill negatively impacts all retro programs even if no money ever used for political purposes.

Bill is scheduled for a hearing on Tuesday, March 24. Still being seen as a "transparency" bill. Many legislators realize political connotations but may be looking for a way out with an amendment that further narrows the bill.

Bill is moving through the House process despite many legislators wanting it to go away. Rep. Larry Springer is working on "amendments" yet has not shared these with anyone. The bill had a hearing in the approps committee and will most likely move to House Ways and Means.

New amendment to "fix" bill is actually worse than the underlying bill, therefore cannot be supported. We continue to work to kill this bill and now that we know fix amendment is not good, more no votes may come our way. Continues to be a political, leadership call.

Makes changes to retrospective rating programs to require more accounting to Department of Labor & Industries and restrict use and/or distribution of refunds received.

[SSB 6158](#)

**Paid Family Leave** Oppose S2nd Reading Keiser

Several problems exist with this bill. First, it gives OFM authority to "find" federal stimulus money to pay benefits rather than a simple delay or repeal. Second, it puts workers comp rates in jeopardy of increasing by extending the ability for loans to be taken from the supplemental pension fund to keep the family leave account going.

As of 9:45, Thursday 4/23, this bill is still sitting on the Senate Calendar. We expect it to be acted on and may have a chance to repeal the section which allows continuation of loans from the Workers comp funds until 2012.

Delays payment of family leave benefits unless federal stimulus money made available for this purpose.

[SB 6167](#) **Felony Theft Threshold** Neutral HWays & Means Kline

The bill barely passed the Senate (25-21) and now sits in the House. I believe the only way this will move is if the \$5 million in savings is still part of the budget agreement.

Bill raises threshold to \$750 but has virtually all of WFI amendments and requests to provide aggregation and additional tools for punishment and prosecution

[SJM 8014](#) **Requesting Congress to hold hearings on interchange fees.** Support SFI/Hous/Ins Jacobsen  
(Dead)

This bill came in late at WFI's request after hearing on a second bill that could not be moved because of impact on interstate commerce laws. We will work to see if we can gain support on this resolution to help with efforts in Congress.

Resolution to Congress asking for them to hold hearings and deal with interchange fees that cost consumers and retailers.

## MEDIUM PRIORITY BILLS

Position Status Sponsor

[SHB 1011](#) **RFID Bill -- Dealing with Radio Frequency Devices** Neutral C 66 L 09 Morris

This bill began as a bill opposed by WFI but through our work with the coalition, was amended to have no real impact. However, it is a bill that is not considered necessary by the business community

Puts in place further restrictions on the use of radio frequency devices by government or businesses to ensure they cannot be used for illegal purposes.

[SHB 1149](#) **Data Breach Bill** Oppose HRules R Williams  
(Dead)

This bill puts significant liability and potential costs on in-state retailers even if the breach in security was caused by an out of state third party processor. It is the credit union's way of trying to recoup costs but it moves the costs onto the back of businesses who were also victims of the crime. Negotiations have not been successful due to philosophical differences. The bill is opposed by banks too.

Establishes penalties and liability for businesses that use credit or debit card information which subsequently is involved in a data breach by an outside entity.

[2SHB 1165](#) **Pharmacy Product Stewardship Bill** Monitoring HRules C Morrell  
(Dead)

This bill is one that does fit within our product stewardship support paper but there are several concerns -- particularly concerning take back of scheduled drugs and who the enforcement authority is.

Provides for safe collection and disposal of unwanted drugs from residential sources through a producer provided and funded product stewardship program. Retailer participation is voluntary.

[2SHB 1180](#) **Banning Bisphenol A in products used by children.** Neutral SHea/L-T Care Dickerson

This bill has been modified but still contains a provision that would allow DOE to look for bpA alternatives

and then use that information to ban products from stores.

This bill was modified before passing the House of Representatives to only apply to cups and bottles intended solely for children under three. Metal cans are exempted. The DOE search for alternatives and potential other product bans was removed as well. WFI's position moved to neutral.

Manufacturers and others are still working to limit the scope of the bill further and to create deminimus language.</p>

Bill is referenced in House budget -- Senate version pulled after it was announced it was dead. Senate version less impactful than House version.</p>

Restricts the use of bisphenol A. Requires the department of ecology to, by July 1, 2012, conduct an alternatives assessment for bisphenol A in cans, jars, or other containers that are used to hold liquids, food, or beverages primarily for human consumption and to make recommendations for banning existing products.

[SHB 1714](#) **Concerning association health plans.** Oppose HRules C Cody  
(Dead)

\$150,000 put in House budget for study but not in Senate budget.

Budget proviso still in House budget -- business community opposing.

Requires information and data to be collected regarding association health plans that is data already collected by the insurance commissioner. Collection of this data is unnecessary and is only being done as a "fact-finding" expedition designed to try and find areas where association health plans are "cherry picking" the small health insurance marketplace.</p>

[HB 1821](#) **Pharmacy Audit Bill** Support HHHS Apps Seaquist  
(Dead)

Working with pharmacy coalition on these bills that would provide significant assistance for pharmacies facing audit from DSHS medicaid program.

Fiscal note (cost) appears to be killing this bill.

Changes ability of Medicaid to conduct non-fraud related audits looking back more than three years.</p>

[ESHB 1906](#) **Increased UI benefits and worker training eligibility.** Oppose C 3 L 09 Conway

Temporarily increased weekly benefit amounts for laid off workers. Also expanded use of workforce training benefit dollars. Bill passed legislature quickly and was signed as an "economic stimulus package." More likely, it was a way to make sure UI trust fund money could be spent before conformity fix for business was put into place.</p>

Temporary increases in UI benefits for "economic stimulus". Raised weekly benefit amount \$45 per week for one year for all unemployed workers. Raised minimum weekly benefit amount from \$129 to \$156 for same period of time. Socialized costs so all businesses will pick up cost regardless of whether they lay off. Also increased number of workers eligible for benefits while in training programs.

[HB 2089](#) **Requiring only compostable products to be used for food service take out containers.** Oppose HRules R Chase  
(Dead)

This is not a bill we can support. However, we will work to amend if it moves to ensure that the requirement does not go into place unless it does not increase grocer costs and there is a composting program that can take the products statewide.

Prohibits food service businesses from selling or providing food for consumption on or off the premises: (1) In expanded polystyrene food service products with certain exceptions, effective January 1, 2010; and (2) In or with disposable plastic food service ware, effective July 1, 2010.

[SSB 5282](#) **Banning bisphenol A in products used by children** Neutral S2nd Reading Keiser

This version of the bill has been amended to take out any prospective alternative reviews and bans by the legislature. It requires manufacturers to notify retailers of the limited products with bpA that would be banned.

Bill pulled from Rules in a surprise move. Bill was not in Senate budget but was in House and negotiations are probably leading to using Senate bill as vehicle.

The bill will remain limited to avoid broad-based impact and DOE study not in there.

Bans the use of bisphenol A in baby bottles and cups intended for use by children under three. Substitute does not contain additional DOE assessment of alternatives.</p>

[2SSB 5433](#) **Modifying Local Tax Options** Monitoring Sref con/conf Regala

It is thought that this will be the local government tax vehicle for the session.

This bill has been modified to eliminate votes of the people, etc. and expand local taxing authority. Urging Senate not to accept House amendments if it makes it that far.

This bill is being actively opposed by the business community. It remains in rules.

Bill amended significantly to remove utility tax provisions. But still allows some additional taxing authority for transportation as long as approved by a vote of the people.

The Senate refused to concur with the House amendments and it has gone to conference. No word yet on what brokered deal is going to look like.

Worried about local tax options and impact on grocery industry. This also might be a place to hang amendment pertaining to grocery bag taxes, fees and bans.</p>

[SB 5622](#) **Improving organized retail theft statute** Support SRules X Kline  
(Dead)

This bill makes a necessary change to organized retail theft statute to change a word which increases the ability to actually aggregate crimes.

Changes "extenuating circumstances" to "aggravating circumstances" to better allow legal applicability of greater sentencing authority in organized retail theft crimes.</p>

[SB 6042](#) **Requiring a toll-free phone number to report contaminated or suspicious food products.** Concerns SHea/L-T Care Pflug  
(Dead)

WFI was the only organization to testify and alert committee to significant concerns. Bill died because our testimony showed that the toll free number would not solve problems with product recalls and food contamination reports.</p>

Requires the department of health, within available funds, to provide a toll-free phone number to be listed in the government section of all phone books distributed to the public at large for use by state residents to report a concern about a particular food product that appears contaminated, suspicious, or tampered with.

## **LOW PRIORITY BILLS**

[2SHB 1469](#) **Product stewardship recycling act for mercury-containing lights.** Support HRules C Hunt  
(Dead)

This bill fits within our product stewardship model and has been significantly amended to reflect retailer

concerns.

Budget has DOE putting forward recommendations for how to do program.</p>

Sets up product stewardship program for mercury-containing lightbulbs funded by manufacturers.</p>