

March 3, 2011

The Honorable John Ahern  
Washington State House of Representatives  
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RE: HB 1735 and SB 5604

Dear Representative Ahern:

On behalf of the Pacific Northwest Grain & Feed Association's 94 member companies, we strongly urge you to oppose two measures: HB 1735 and SB 5604. These bills would impose significant new costs that will increase fertilizers, pesticides, and diesel prices; all crucial inputs in running a successful agricultural enterprise. This new tax burden would seriously impact our members' operations and could result in the loss of jobs.

Proponents of these measures talk about the desperate need for funding stormwater clean-up; a laudable goal. But our members are already paying millions of dollars each year in MTCA taxes to help deal with the state's environmental issues. This money would be available for stormwater clean-up had it not been swept to the general fund. The MTCA money should be used as intended rather than imposing a new tax on our industry.

Levying additional taxes on Washington farms for stormwater clean-up would be grossly inequitable. As we pointed out last session, stormwater run-off problems are the direct result of impervious surfaces. Our farmlands, because they are not covered by impervious surfaces, serve as natural stormwater filters. Farms do not contribute to this problem, yet they will be hit hard by the costs associated with this proposed "solution." In fact, we see no justification for focusing this proposal on the agricultural industry in our state when there is no defensible nexus between taxing farms and dealing with pavement-caused issues.

Most of Washington's agricultural activity occurs outside the Central Puget Sound area, yet most of the benefit from these bills will occur within that region. Proponents say, cleaning up Puget Sound should be everyone's top priority. However, our farms would be forced to pay for a proposal that offers very little direct benefit.

We object that our industry and membership should bear a significant funding burden for a societal benefit unrelated to their operations. It is clear that the proposed costs in HB 1735 and SB 5604 are, in fact, a tax. Proponents calling these multi-million dollar charges a "fee" is merely an 'end run' to avoid the Initiative 1053 requirement of a 2/3 majority vote in the legislature.

Washington's producers have few opportunities to pass this tax on to their customers. Every dollar in costs imposed by these bills will directly impact family farm budgets and their workers. Affordability and timing could not be worse.

Now is not the time to drive up essential product costs that are crucial to our operations. We believe it is inequitable to impose a major burden on our farms to fund a program that is unrelated to our operations and for which we receive virtually no direct benefit. We urge you to reject HB 1735 and SB 5604. Thank you.

Sincerely,

Dain Lauderback, President PNWGFA Board of Directors  
The Scoular Company

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