SENATE BILL REPORT
SB 5117

As of February 26, 2025

Title: An act relating to protecting agriculture.

Brief Description: Protecting agriculture.

Sponsors: Senators Muzzall, Braun, Chapman, Christian, Dozier, King, Schoesler, Short, Wagoner, Warnick and Wilson, J..

Brief History:
Committee Activity: Agriculture & Natural Resources: 1/16/25, 2/20/25 [DPS-WM, w/oRec].
Ways & Means: 2/26/25.

Brief Summary of First Substitute Bill

- Directs the Office of Financial Management to develop a fiscal note process for legislation that impacts regulatory costs incurred by entities engaged in agriculture.

SENATE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: That Substitute Senate Bill No. 5117 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Chapman, Chair; Krishnadasan, Vice Chair; Short, Ranking Member; Liias, Muzzall, Schoesler, Shewmake and Wagoner.

Minority Report: That it be referred without recommendation.

Signed by Senator Saldaña.

Staff: Elena Becker (786-7493)

SENATE COMMITTEE ON WAYS & MEANS

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Sarian Scott (786-7729)

Background: Agriculture in Washington. There are approximately 32,000 farm operations throughout the state of Washington. Farmers and ranchers in Washington produce over 300 different commodities, valued at a total of $14 billion in 2023.

Fiscal Notes. State law directs the Office of Financial Management (OFM) to establish a mechanism for the determination of the fiscal impact of proposed legislation on various entities including:

- state government; and
- counties, cities, towns, or any other units of local government, including school districts.

The resulting fiscal notes are provided only upon request by a member of the state Legislature and typically indicate by fiscal year the total impact on the affected entity for the first two years the legislation would be in effect; contain a cumulative six-year forecast of the legislation's fiscal impact; and must be completed within one week of the request.

Agency-Prepared Economic Impact Statements. Under current law, agencies must prepare sector-specific impact statements when considering or undertaking actions affecting small businesses or environmental justice.

Summary of Bill (First Substitute): Fiscal Notes for Entities Engaged in Agriculture. OFM must establish a mechanism for the determination of the fiscal impact of proposed legislation which, if enacted into law, would directly or indirectly increase or decrease regulatory costs incurred by entities engaged in agriculture. These fiscal notes must:

- indicate by fiscal year the total impact on the agricultural economy for the first two years the legislation would be in effect and also a cumulative six-year forecast of the fiscal impact;
- be provided only upon request of a member of the state Legislature; and
- be completed within one week of the request unless otherwise authorized.

Where feasible and applicable, the fiscal note must also indicate the fiscal impact on each industry or a representative sampling of the industry broadly.

EFFECT OF CHANGES MADE BY AGRICULTURE & NATURAL RESOURCES COMMITTEE (First Substitute):

- Removes requirements for public entities related to decision-making, planning, and the inclusion of agricultural economic impact assessments in reports for legislation and other major actions impacting agriculture.
- Removes the directive to state agencies to develop a list of significant agency actions and perform an agricultural economic assessment when considering a listed action.
- Adds legislative findings and intent.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Agriculture & Natural Resources): *The committee recommended a different version of the bill than what was heard.* PRO: Unless the state of Washington makes a concerted effort to do something, agriculture in Washington is going to be done. The most recent USDA data tells us that our state is losing 14 farms a week. This is an alarming number. Some of these losses are natural attrition but at the current rate of loss we will be out of farms in Washington in two and a half generations.

This is important because of isolation. Two-thirds of the U.S. population lives east of the Mississippi and our agriculture is largely pointed that way. Our transport system makes it easier to transport food from South America than across the middle of the U.S.

Statistics show that we are approaching a sustainability cliff where inputs and labor disappear. Washington pays some of the highest wages for agricultural labor, holds agricultural employers to some of the strictest and most expensive requirements in the county, and does not provide the overtime flexibility of neighboring states. Washington is already fourth in food prices in the nation, and Seattle is number one for cities of its size.

The Legislature has passed legislation that has had dire impacts on agriculture. This bill would make government responsible for determining the impact of legislation on agriculture.

Persons Testifying (Agriculture & Natural Resources): PRO: Senator Ron Muzzall, Prime Sponsor; Pam Lewison, Ag Research Director.

Persons Signed In To Testify But Not Testifying (Agriculture & Natural Resources): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: As someone who has a younger brother, the quality of the food that is sold in the market place is important to me, as eating poor quality foods has an impact on health. Emphasizing the state's commitment to promoting a healthy food supply will help us. Everyone is affected by the quality of foods produced. This bill will promote a stable food supply.

Persons Testifying (Ways & Means): PRO: Muhammad Mahmood.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.