NWGA
LEGISLATIVE
SESSION
REPORT

2015
Actively advancing and defending the legislative and regulatory interests of the retail food industry in Oregon, Washington and Idaho.
**INDEX**

**Oregon**

<table>
<thead>
<tr>
<th>2015 Legislative Profile</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Session Overview</td>
<td>2</td>
</tr>
<tr>
<td>NWGA Sponsored Legislation</td>
<td>3</td>
</tr>
</tbody>
</table>

Issues of Interest:

- A. Retail Grocery 4
- B. Budget & Taxes 11
- C. Alcohol 13
- D. Tobacco 13
- E. Pharmacy 14
- F. Energy 17
- G. Transportation 18
- H. Elections 19

**Washington**

<table>
<thead>
<tr>
<th>2015 Legislative Profile</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Session Overview</td>
<td>20</td>
</tr>
</tbody>
</table>

Issues of Interest:

- A. Retail Grocery 20
- B. Budget & Taxes 23
- C. Initiative Process 25
- D. Pharmacy 26
- E. Liquor 28
- F. Transportation 30
- G. Local Government 30
- H. Environment 31

**Idaho**

<table>
<thead>
<tr>
<th>2015 Legislative Profile</th>
<th>34</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Session Overview</td>
<td>34</td>
</tr>
<tr>
<td>NWGA Sponsored Legislation</td>
<td>35</td>
</tr>
</tbody>
</table>

Issues of Interest:

- A. Retail Grocery 35
- B. Tax 36
- C. Transportation 38
- D. Pharmacy 39
- E. Elections 40
Oregon 2015 Legislative Profile

**Governor:** Kate Brown (D-Portland)

**Legislative Majorities:**
- Senate 18-12 Democrat Majority
- House 35-25 Democrat Majority

Senate President Peter Courtney (D-Salem)
Senate Majority Leader Diane Rosenbaum (D-Portland)
Senate Minority Leader Ted Ferrioli (R-John Day)
Speaker of the House Tina Kotek (D-Portland)
House Majority Leader Jennifer Williamson (D-Portland)
House Minority Leader Mike McLane (R-Powell Butte)

Oregon 2015 Session Overview

The Oregon legislature convened for a regular session on February 2, 2015 and adjourned on July 6, 2015.

**Politics**

Over 2,799 bills were introduced during the 2015 Legislative Session. Of those, fewer than 640, or 23%, have been signed by the Governor. Each proposed bill was read and analyzed through the lens of how it could or would impact the grocery business. The NWGA lobby team tracked over 500 bills this Legislative Session. Many bills presented real threats to the way we operate our businesses resulting in costly new regulations and mandates. On the contrary, some bills created opportunities for NWGA to craft good public policy, which benefited the grocery industry. The following is a compilation of the good, the bad, and the ugly, which NWGA tackled on your behalf.

The beginning of the session held political controversy over ethics complaints regarding then-Gov. Kitzhaber’s (D) fiancée, Cylvia Hayes, and her role within his administration. A government whistleblower provided internal emails to the press, which displayed potential conflicts of interest between Ms. Hayes’ role as first lady and her work as an environmental consultant. Ultimately this controversy led to the resignation of Gov. Kitzhaber (D) on February 13, 2015, an investigation continues into the potential ethics violations of his administration. On February 18, 2015, Secretary of State, Kate Brown (D), was sworn in as the 38th Governor of Oregon.

Oregon bucked the national trend in November of 2014 by being the only state on the West Coast that did not pick up Republican Legislative seats. In fact both chambers
picked up Democrat seats—extending the Democratic majorities in both the House and the Senate (the Senate with a supermajority – enough votes from one party to raise taxes). As such, the 35-25 majority Democratic House and 18-12 majority Democratic Senate left many of us advocating on behalf of Oregon employers braced for what could be a very difficult legislative session.

NWGA Sponsored Legislation

Senate Bill 2803 – OLCC/Redemption Center Enforcement and Compliance
NWGA Position: SUPPORT
Status: Passed legislature and signed by the Governor
House Vote: 45 YES – 6 NO
Senate Vote: 27 YES – 2 NO
Summary: HB 2803 revises the reporting and compliance requirements of the OLCC when approving Oregon Bottle Bill redemption centers. It establishes a reasonable timeline and process for dealer/retailer compliance and timely OLCC enforcement to guarantee that non-participating dealer/retailers are in compliance with the existing law. In 2013, SB 117 was adopted which required non-participating retailers to meet specific convenience criteria and offer equivalent services. However, in the last 2 years OLCC has been reluctant to use their existing civil penalty authority for non-participating retailers. HB 2803 requires the OLCC to act. Specifically, OLCC determines a dealer is in violation, the Commission must provide the dealer with written notice of the violation. The dealer must cure the violation within 60 days to avoid a civil penalty. If violations are not cured within 60 days, OLCC is required to impose a civil penalty of at least $200 per day. All penalties recovered from such violations shall be paid to the State Treasury and credited to the General Fund.

The Joint Ways and Means Committee provided OLCC with $133,738 Other Funds expenditure limitation and one permanent full-time position (0.75 FTE). The new position is a Compliance Specialist 3 and will manage increased workload anticipated under House Bill 2803.

Impact to Industry: Non-participating retailer compliance will reduce redemption center costs to those participating retailers by over $440,000 in the first year.

History of the Bottle Bill:
• Original Bottle Bill passed in 1971
• In 2007, Legislature made first significant changes and added water and flavored water. Also required universal brand acceptance at all large retailers
• In 2009, in response to the 2007 changes, the Oregon Beverage Recycling Cooperative was formed to improve the customer return experience and remove high volume returns from the grocery store.

• In 2011, HB 3145 passed and added a new ‘class of’ covered beverage produces (juices, teas, sports drinks) to kick in Jan. 1, 2018.
  o Does not include wine, liquor, dairy or milk substitutes
    ▪ Beer, soft drinks and water will continue to be covered in containers that are 3 liters or less in size, but the new beverages will be covered only if they are in bottles or cans from 4 ounces to 1.5 liters in size. Metal cans that require a can opener will also not be included.

• HB 3145 also set a trigger for the deposit to increase to 10 cents if the recycling rate falls below 80 percent for two consecutive years, but not before 2017.

• In 2013, SB 117 was adopted expanding redemption centers and requiring them to be located in a ‘convenience zone’ of 2 and 3.5 miles. This bill also required non-participating retailers to meet specific convenience criteria…and offer equivalent services

• In 2015, HB 2803 was adopted to address non-participating retailers that were still not complying with the law, and requires the OLCC to enforce the law.

**Retail Grocery**

**Senate Bill 454 – Paid Sick Leave**

**NWGA Position:** Originally OPPOSED in House, NEUTRAL on final version

**Status:** Signed by Governor.

**Effective date:** January 1, 2016.

**Summary:** SB 454 was one of the hardest fought pieces of legislation this session. It was labor’s number one agenda item and given the Democratic majorities in both chambers, NWGA expected it to pass. However, NWGA was able to secure five NO votes in the Senate (which eventually dwindled to three in June) until a local preemption on other employment policies was passed. Ultimately, SB 968 was passed as a package (along with SB 454), which placed a 2-year local preemption on predictable/flex scheduling requirements to stop Portland and Eugene from enacting local ordinances. Below is a detailed summary:

**Employer size:** Employers of 10 or more employees must provide paid sick leave, those with fewer than 10 must provide the same leave, but are not required to pay employees for the time off. Employers averaging 10 or more employees for 20 weeks in the year prior to that in which leave is to be taken must pay for sick leave. BOLI is specifically directed to adopt rules on this subject.
**Employee definition:** Includes piece rate workers, salaried, hourly and commissioned workers, and home care workers. Excludes independent contractors, workers who receive sick leave under federal law, participants in a federal or state work training program, work study participants, railroad workers, and family members working in a family business.

**Collective Bargaining Agreements:** Collective bargaining agreements are not exempt from provisions of SB 454, except those that cover hiring halls or similar referral systems.

**Accrual of leave:** Beginning January 1, 2016, employees accrue one hour of sick leave for every 30 hours worked, up to a maximum of 40 hours of accrued leave. Leave begins to accrue on an employee's first day of work.

**Employee eligibility:** Workers hired on or after January 1, 2016 may use accrued leave beginning on their 91st day of employment. Those hired prior to 1-1-16 are immediately eligible to use leave, beginning on 1-1-16.

**Use of leave:** Leave may be used in one hour increments beginning on the 91st day of employment, for the following purposes: (1) preventive care; (2) care, treatment, or diagnosis of the employee's mental or physical illness, injury or health condition; (3) to provide care for a family member with a mental or physical illness, injury or health condition, or who is undergoing diagnosis or treatment; (4) care of a family member who needs preventive care; (5) to deal with domestic violence, harassment, sexual assault or stalking issues; and (6) for Oregon Family Leave Act covered leave.

**Donating leave:** Employees may donate accrued leave to each other if employer policy allows the practice.

**Increments in which leave may be taken:** Leave may be taken in one hour increments unless: (A) allowing such a small amount of leave would pose an undue hardship to the employer (criteria to be established by BOLI); and (B) the employer allows employees to accrue 56 hours of leave per year instead of 40. If both conditions are met, an employer may require leave to be taken in increments of four hours.

**Notice to employer of intent to take leave:** Employee must follow employer’s usual notice and procedural requirements, as long as those requirements do not interfere with the employee’s ability to take sick time. If need for leave is foreseeable, employer may require no more than 10 days notice. If unforeseeable, employee must notify employer “as soon as practicable”.

---

2015 NWGA Legislative Session Report
**Medical verification of need for leave:** Employers may require medical verification of the need for leave if an employee takes more than three consecutively scheduled work days of sick leave. Verification may be required prior to leave if the need for leave is foreseeable. Employers must pay for the medical verification, and must also pay lost wages for any work time an employee uses to obtain the verification.

**Abuse of leave:** If an employer suspects an employee is abusing sick time, medical verification may be required even if the employee has not been off work for three days.

**Paid time off policies:** An employer's sick leave policy, paid vacation policy, paid personal time off policy or other paid time off program that is "substantially equivalent to or more generous than the minimum requirements of" SB 454 will be deemed to be in compliance with SB 454.

**Right of return:** If an employee quits, but returns to the employer within six months, previously accrued sick leave must be restored. If the employee quit before meeting the 90 day threshold for taking leave, previously worked time is also restored.

**Portland:** Employers in the city of Portland are required to comply with the provisions of SB 454, except that the paid leave requirement applies to employers with six or more employees. Those with fewer than six must continue to provide unpaid sick leave according to the provisions of SB 454.

**Local government mandates:** SB 454 preempts all local sick-leave mandates, except with regard to size of employers covered under Portland's current ordinance.

**Penalties:** Complaints may be filed with the Bureau of Labor and Industries (BOLI), which may investigate and fine violations up to $1000. Notwithstanding effective date of the law, penalties may be imposed only for violations occurring after January 1, 2017.

A plaintiff may also file lawsuit in circuit court; remedies could include reinstatement or rehiring with or without back pay of up to two-years, prevailing party costs and attorney fees at trial and on appeal.

**Impact to Industry:** Increased costs overall but statewide uniformity in sick leave policy.

**House Bill 2004 – Minimum Wage Preemption**

NWGA Position: OPPOSE
Status: Died in Committee
Summary: Repeal the state preemption that prohibits local governments from setting their own minimum wage rate.

Impact to Industry: Immediate increased labor costs in cities such as Portland, Eugene and Corvallis. The City of Portland wants to raise the minimum wage to $15.

House Bill 2012 – Minimum Wage Increase
NWGA Position: OPPOSE
Status: Died in Committee
Summary: Over 10 bills attempted to raise the minimum wage this session, ranging from an increase to $10.75 all the way to $15 an hour. After weeks of public hearings, none of the bills advanced this session. An interim work group has been appointed to continue the discussion into the February 2016 Session, chaired by Sen. Michael Dembrow, D-Portland and Rep. Paul Holvey, D-Eugene. A ballot measure to raise the minimum wage to $15 by 2019 is currently awaiting a ballot title and if qualifies will appear on the November 2016 ballot.
Impact to Industry: Increased labor costs.

House Bill 2543 – Unused Gift Cards
NWGA Position: OPPOSE
Status: Died in Committee
Summary: HB 2543 provided that unused gift cards become abandoned property if the value of the gift card has not been redeemed within 3 years. Provided that if issuer of gift card does not have address for owner of gift card, value of gift card presumed abandoned and is subject to custody of the state if purchase, issuance or last transaction by owner of gift card occurred in Oregon. The Consumers Union believes that States that prohibit gift cards from ever expiring is a stronger protection than the ban on expiration dates sooner than five years found under the federal CARD Act. NWGA helped craft the existing law with no fees and no expiration date.
Impact to Industry: HB 2543 would have created a burdensome process to turn over gift card values to the State and cause harm to our customers trying to redeem gift cards beyond the 3-year “de facto” expiration date.

House Bill 3025 – Ban the Box
NWGA Position: Originally OPPOSED in House, NEUTRAL on final version
Status: Signed by the Governor
Effective Date: January 1, 2016
Summary: Establishes unlawful practice of inquiring into or considering applicant's conviction history on an application form, prior to interview, or, if no interview is conducted, prior to conditional offer of employment. House version went too far prohibiting employer from considering conviction history until conditional offer of employment and included a private right of action. NWGA was successful in amending HB 3025 on the Senate side to simply remove the prior conviction “check box” on the
initial application but allowing background checks during interview process as well as removing the private right of action.  
**Impact to Industry:** Human resources need to remove all prior conviction questions and/or check boxes on employment applications.

**Senate Bill 478 – Children’s Chemical Phase-Out**

**NWGA Position:** OPPOSE  
**Status:** Signed by Governor  
**Effective Date:** July 27, 2015.  
**Summary:** SB 478 requires Oregon Health Authority (OHA) to establish and maintain a list of high priority chemicals of concern for children’s health when used in children’s products. The bill instructs OHA to include any chemical currently listed on Washington State Department of Ecology’s Reporting List of Chemicals of High Concern to Children. Requires OHA to post list and information on health impacts associated with exposure on its website. Requires manufacturers of children’s products sold in State containing chemical included on list in an amount above specified minimum level to provide biennial notice including name, registry number, amount and function of chemical used in the children’s product. Requires manufacturer to remove, make substitution or seek waiver for chemical present in children’s product on or before date on which manufacturer submits third biennial notice if chemical is mouthable, cosmetic, or made for or marketed to children under three years of age.

**Impact to Industry:** NWGA worked with a coalition against the bill and would have been neutral if SB 478 would have mirrored the State of Washington. However, SB 478 is in stark contrast to the Washington State chemicals in children’s products reporting law. Unlike SB 478, the Washington law does not mandate any phase-out or substitution. In fact, the Washington Department of Ecology states on its website that “The presence of a chemical in a children's product does not necessarily mean that the product is harmful to human health or that there is any violation of existing safety standards or laws.” For certain products, SB 478 assumes otherwise, yet does not require any analysis or determination by OHA.

**House Bill 3125 – Property Tax Exemption for Bakeries**

**NWGA Position:** SUPPORT  
**Status:** Passed legislature and awaiting Signature by Governor  
**Summary:** The 2013 Legislature allowed newly acquired machinery & equipment used by fruit, vegetable, nut, legume and seafood processing businesses to be exempt from local property taxes for 5 years. HB 3125 expands the tax exemption to include dairy, egg, bakery and grain processors. Bakeries will be allowed to claim the machinery and equipment (M&E) tax exemption for property purchased above $100,000 for tax years beginning in 2016.
Impact to Industry: $9.8 million estimated savings in property taxes over the five years the exemption is available for machinery and equipment placed into service.

Senate Bill 845 – Fair Share Penalty
NWGA Position: OPPOSE
Status: Died in Committee
Summary: Requires employers whose employees obtain health insurance coverage through public program (i.e. Oregon Health Exchange) to pay a fee to the state for that coverage.
Impact to Industry: Fair Share is an attempt by the unions to penalize Wal-Mart. However, SB 845 would also have a financial impact to NWGA members who provide benefits to employees, including a penalty fee equal to 90% of the cost of a Silver Plan A as defined by the ACA.

Senate Bill 888/House Bill 2010/3377—Predictable/Flexible Scheduling
NWGA Position: OPPOSE
Status: Died in Committee
Summary: Establish a mandatory predictable/flexible scheduling law that would affect all employers and employees, regardless of size or type of business. Require employers to discuss creating a personalized schedule with their employee if he has a serious health condition, caregiving responsibilities for children or the elderly, a second job, or if he is participating in an educational or job-training program. HB 3377 would also require the employer to provide a written schedule 21 days in advance and pay a ‘penalty wage’ if the employer makes any changes to the schedule.
Impact to Industry: Onerous and costly scheduling requirements.

House Bill 2386 -- Temporary Cease & Desist Orders
NWGA Position: OPPOSE
Status: Died in Committee
Summary: Authorizes the Commissioner of Bureau of Labor and Industries to issue temporary cease and desist orders when violations of wage and hour laws have been alleged.
Impact to Industry: HB 2386 would have given too much authority to the Bureau of Labor and Industries causing economic harm to our industry partners—especially Oregon’s agricultural commodities and their perishable crops.

House Bill 2030 – Increase Bottle Bill Refund Value
NWGA Position: OPPOSE
Status: Died in Committee
Summary: SB 2030 increases refund value of beverage containers to 10 cents immediately and provides that refund value of beverage containers increases to 20 cents if the 80 percent redemption rate in current statute is not met. SB 2030 also
required the escheat of unredeemed containers be remitted to the Department of Revenue and deposited into the Common School Fund.

**Impact to Industry:** HB 2030 would completely transition the bottle bill from an industry operated system to a State operated system.

**House Bill 3121 – Genetically Engineered Food Labeling**

**NWGA Position:** OPPOSE

**Status:** Died in Committee

**Summary:** Required labeling of genetically engineered raw agricultural commodities and packages of genetically engineered processed food offered or expected to be offered for retail sale within the State. Declared commodity or food misbranded if not labeled as required. After a close but failed ballot initiative in 2014, GMO advocates will continue to push bans and labeling requirements which may eventually be back on the Oregon ballot.

**Impact to Industry:** The Food and Drug Administration does not require special labeling of a food to identify it as genetically engineered. Much of the food available for purchase in the grocery store is genetically engineered or has genetically engineered ingredients. Requiring special labeling on what are essentially conventionally-produced foods would have little benefit, but would have significant cost that would be passed on to consumers.

**House Bill 3251 – Product Stewardship**

**NWGA Position:** OPPOSE

**Status:** Died in Committee

**Summary:** Established product stewardship program for household hazardous waste. Products would be determined by the Environmental Quality Commission as a product that, if discarded, would constitute a household hazardous waste. NWGA fought against costly product stewardship programs for batteries and mercury lamps (CFLs) in 2011 and 2013.

**Impact to Industry:** HB 3251 would be very expensive for the consumer. A manufacturer funded system, due to cost mark-ups at all stages of the supply chain, would greatly increase the purchase price of CFLs, batteries and other yet-to-be-determined products to the consumer.

**House Bill 2189 – Hazardous Substance Labeling**

**NWGA Position:** OPPOSE

**Status:** Died in Committee

**Summary:** Requires Director of Oregon Health Authority to adopt standards for labeling of articles that contain hazardous substances. Although HB 2189 exempts food and drugs, it specifically includes substances that come into contact with food and that could contaminate the foods, including but not limited to food packaging. NWGA argued against a similar bill in 2013, which like HB 2189 created duel regulatory
authority for the proper identification and labeling of hazardous materials. The bill did not eliminate licensing and food safety requirements under the Oregon Department of Agriculture, it just adds another agency to the regulation of food packaging that is already covered under current law.

**Impact to Industry:** Costly and unnecessary labeling requirements.

**House Bill 2960 – Statewide Retirement Mandate**

**NWGA Position:** Monitor

**Status:** Signed by Governor.

**Effective date:** June 25, 2015. State retirement plan not to begin before July 1, 2017.

**Summary:** Creates a statewide retirement plan for workers whose employers do not offer a company retirement plan. The bill requires employers to automatically enroll their employees in the state plan and set up an automatic payroll deduction system that feeds money into the plan unless the employee opts out. In addition, HB 2960 creates a seven-member Oregon Retirement Savings Board within the State Treasury. The Board is directed to develop the retirement plan.

**House Bill 2007 – Employer/Employee Discussions**

**NWGA Position:** Monitor

**Status:** Signed by the Governor.

**Effective date:** January 1, 2016.

**Summary:** Creates a new unlawful employment practice against an employer who takes any negative employment action against an employee who discusses or discloses “in any manner” his or her wages or those of another employee. Framed by supporters as a small step towards wage equality between men and women, the new law will expose an employer to potential lawsuits resulting in up to two years of back pay when, for example, an employer fails to meet an employees wage demand, later takes an unrelated negative employment action, and results in a lawsuit alleging the negative action was retaliatory.

**Budget and Taxes**

**2% Kicker**

**NWGA Position:** Monitor

**Summary:** The 2% kicker is forecasted to send approximately $473 million back to taxpayers due to increased revenues that exceeded the official budget projections by 2%. Unlike in the past, the kicker will now be distributed as a credit on the state income taxes that are filed in 2016, although the kicker will actually be based on the taxes you owed from the 2014 tax year. The current projections show a credit of 6.7% on 2014 tax liability, before credits. The average Oregon income tax return would receive a credit of $284.
House Bill 2077 – Corporate Tax Disclosures
NWGA Position: OPPOSE
Status: Died in the House Revenue Committee
Summary: HB 2077 would have required corporations in Oregon to file tax disclosure statements with the Secretary of State. In Oregon, taxpayers are protected from public disclosure. However, Our Oregon—the union funded political arm has been pushing for public disclosure to shame Oregon businesses and use as a tool to push for tax increases. NWGA, along with much of the Oregon business community, opposed HB 2077, which failed to pass out of the House Revenue Committee.
Impact to Industry: Disclosure is an attempt by the unions to utilize confidential information from Oregon corporations in political advertising to raise corporate taxes.

House Bill 2079 – Limits on Corporate Taxes
NWGA Position: OPPOSE
Status: Died in Committee
Summary: HB 2079 would have created an unspecified limit on the ability to deduct employee compensation on the Oregon corporate income tax returns.
Impact to Industry: Decrease corporate deductions thus increasing corporate tax liability.

House Bill 2398 – Increase Corporate Excise Tax
NWGA Position: OPPOSE
Status: Died in Committee
Summary: HB 2398 would have increased the Oregon corporate income tax rate by 1% on taxable income. The Oregon income tax rate would be 7.6% up to $1 million and 8.6% on income above $1 million.
Impact to Industry: Increased corporate tax rate.

House Bill 2171 – Commercial Activity Tax
NWGA Position: Neutral but monitor during interim
Status: Signed by Governor
Effective date: October 5, 2015.
Summary: HB 2171 directs the Legislative Revenue Office to prepare an analysis of options for restructuring state and local revenues for further discussion during the February 2016 Session. The analysis will include restructuring property taxes and personal income taxes, alternatives for taxing consumption, and alternative business taxes such as net income, commercial activity and value added taxes. The report will be submitted to an interim legislative committee no later than December 1, 2015. Specifically, the study will look at Commercial Activity Tax patterned after Ohio tax that was adopted in 2006. Senator Hass, Chair of the Senate Finance Committee, is interested in tax reform in 2016 to head off a potential tax increase initiative proposed by the unions. A commercial activity tax would propose a percent-based tax on gross
receipts while reducing personal income tax rates. The goal is to get the policy to revenue neutral, which Legislative Counsel has already advised them will only require a simple majority vote of 31 in the House and 16 in the Senate.

**Impact to Industry:** A commercial activity tax (aka gross receipts tax) would have a profound impact to low margin businesses like grocery and retail.

### Alcohol

**House Bill 2135/Senate Bill 12 – Local Alcohol Taxes**

**NWGA Position:** OPPOSE

**Status:** Died in Committee

**Summary:** Removes prohibition against local governments enacting taxes on alcoholic beverages.

**Impact to Industry:** If local government preemption is lifted, NWGA could expect a patchwork of taxes in areas such as Portland, Eugene and Corvallis.

**House Bill 2480 – OLCC License Fees**

**NWGA Position:** Neutral

**Status:** Signed by the Governor

**Effective date:** January 1, 2016

**Summary:** HB 2480 authorizes OLCC to charge a new application fee, not to exceed $150, to process an application for the issuance of a new license or a license following a change in ownership. The revenues collected by the OLCC including this fee are used for agency operations and is expected to impact between 3,500 – 4,500 license applicants with expected revenue between $325,000 - $650,000.

**Impact to Industry:** Small impact to the industry.

**Senate Bill 141 – Liquor Agent Compensation if System is Privatized**

**NWGA Position:** Neutral

**Status:** Signed by the Governor

**Effective date:** June 2, 2015

**Summary:** With the fear of privatization, the liquor agents introduced SB 141 which provides for Oregon Liquor Control Commission to pay business loss compensation to liquor store operator if change in system for selling distilled liquor prohibits commission from purchasing or selling distilled liquor.

**Impact to Industry:** Statutory language in SB 141 will need to be considered in a privatization initiative campaign.

### Tobacco

**Senate Bill 663 – Tobacco Licensing**

**NWGA Position:** SUPPORT with local licensing preemption
Status: Died in Committee
Summary: SB 663 created a statewide license for retailers that sell tobacco or an inhalant delivery system (e-cigs). NWGA opposed several versions of the license that included location restrictions near schools, parks, etc. and supported later versions in the Senate Finance Committee, which included local preemption:

The governing body of a city or county may not adopt an ordinance:

(a) That requires a person to have a license issued by the city or county to make a retail sale of a tobacco product or an inhalant delivery system in addition to the license required by this section; or

(b) That imposes a restriction on a qualification for licensure for purposes of making retail sales of tobacco products or inhalant delivery systems that are not authorized by or pursuant to the statutory laws of this state.

Impact to Industry: With the failure of SB 663, Multnomah County is free to adopt a licensing ordinance which is expected to be far more onerous than a statewide license. Senator Monnes Anderson has reached out to NWGA to bring this back in 2016.

House Bill 2066/2166/2555 – Increase Tobacco Tax
NWGA Position: Monitor
Status: Died in Committee
Summary: HB 2066/2166/2555 increased all tobacco taxes substantially to fund health care or the general fund.
Impact to Industry: Increase costs for tobacco products.

House Bill 2160/2161/Senate Bill 14 – Lift Local Preemption on Tobacco Taxes
NWGA Position: OPPOSE
Status: Died in Committee
Summary: HB 2160/2161 and SB 14 sought to remove the prohibition in statute for local governments to impose their own tobacco tax.
Impact to Industry: Lifting the local preemption on tobacco taxes would trigger a patchwork of local taxes starting with Multnomah County.

Pharmacy

Senate Bill 520 – Pharmacist Administered Immunization Age from 11 to 7
NWGA Position: SUPPORT
Status: Signed by the Governor
Effective date: June 8, 2015
Summary: SB 520 reduces the current age of 11 years of age to 7 years of age for pharmacy/pharmacist administered immunizations. Patients have accepted pharmacists as providers for immunizations and other services. In fact, approximately one in five Americans receive immunizations at retail settings, and of those, more than one-third of adults who receive vaccinations do so during evening, weekend and holiday hours including community pharmacies. Such broad public acceptance of community pharmacists not only creates better access, but also facilitates additional health care touch points, which ultimately results in better health outcomes.

Impact to Industry: SB 520 provides more convenience for parents and will further increase the number of immunizations for children in chain pharmacies.

House Bill 2879 – Pharmacist Prescribed Birth Control
NWGA Position: Monitor
Status: Signed by the Governor
Effective date: July 6, 2015

Summary: House Bill 2879 directs the state Board of Pharmacy to adopt rules to allow licensed pharmacists to prescribe and dispense oral contraceptives and hormonal contraceptive patches to women. Currently under Oregon law, pharmacists are allowed to dispense emergency contraceptives without a physician’s prescription. HB 2879 is designed to increase access to contraceptives and decrease the rate of unintended pregnancies.

Impact to Industry: Greater access to birth control directly through pharmacies.

House Bill 2026 – Biosimilar Substitution
NWGA Position: OPPOSE
Status: Died in Committee

Summary: HB 2026 extended the sunset of requiring physician notification by pharmacists if pharmacist substitutes a biologic product with a biosimilar.

Background: In 2010, The Biologics Price Competition and Innovation Act (BPCIA) authorized the FDA to develop an approval pathway for biosimilars in the U.S. The FDA pathway will classify some biosimilars as “interchangeable” — meaning (1) the substitute is expected to produce the same clinical result as the brand biologic, and (2) switching between the brand and the biosimilar carries neither health risk nor decreased efficacy. The single most important fact in this debate is that the FDA is still developing their health and safety guidance for biosimilars. Until this is complete, there is no way that states can responsibly develop new regulations governing their use. As the FDA has not yet issued all of the final guidelines for approval of biosimilars, no applications have yet been approved. Once the FDA develops this regulatory pathway for biosimilars and interchangeable biosimilars, then states will have the information needed to make informed decisions.

The original legislation on 2013 was opposed vigorously by pharmacies, health plans...
and pharmacy benefit managers because it was premature to act, biosimilars posed no immediate safety issue and it impeded or limited biosimilar substitution due to a provision in the bill that required physician notification provision to substitute a biologic with a biosimilar. NWGA eventually went neutral on the bill in 2013 which sunsets the physician notification provision.

**Impact to Industry:** Physician notification is unnecessary for a pharmacist to be able to substitute a biologic drug with a biosimilar.

**House Bill 2028 – Expands Practice of Clinical Pharmacy**  
**NWGA Position:** SUPPORT  
**Status:** Signed by the Governor  
**Effective date:** June 11, 2015  
**Summary:** NWGA worked with the Pharmacists Association who led the effort to expand pharmacist services to include the practice of clinical pharmacy. Clinical pharmacy is the health science discipline, in conjunction with the patient’s other practitioners, allows a pharmacist to provide patient care to optimize medication therapy and to promote disease prevention and the patient’s health and wellness overall.  
**Impact to Industry:** Greater role for pharmacists for disease prevention and health and wellness management.

**House Bill 2558 – Tobacco Purchase by Prescription**  
**NWGA Position:** OPPOSE  
**Status:** Died in Committee  
**Summary:** Directs State Board of Pharmacy to adopt rules making nicotine a Schedule III controlled substance which would require the purchase of all tobacco and nicotine inhalant products to be purchased at a pharmacy with a prescription.  
**Impact to Industry:** HB 2558 is nothing more than an obstacle for consumers purchasing tobacco.

**Senate Bill 71 – Prescription Monitoring Program Reporting**  
**NWGA Position:** Initially Oppose, Supported with amendment  
**Status:** Signed by the Governor  
**Effective date:** January 1, 2016  
**Summary:** Provides that pharmacies shall electronically report to Oregon Health Authority information under prescription monitoring program no later than 72 hours after dispensing prescription drug. The original bill required reporting within 24 hours. NWGA argued that weekends would have provided reporting difficulties and proposed 72 hours—which the committee adopted in an amendment.  
**Impact to Industry:** NWGA supports the monitoring program and 72 hour reporting will have little impact to the industry.
**Senate Bill 93**  
**NWGA Position:** SUPPORT  
**Status:** Signed by Governor  
**Effective date:** January 1, 2016  
**Summary:** SB 93 allows a patient to get a 90-day supply of their chronic medication at a retail pharmacy. Current law allows for a 30-day fill. The insurance plan and pharmacy benefit managers (PBM) turned this into a huge battle for the 90-day supply business through their own mail order. After a huge fight through both chambers and a conference committee—chain pharmacy prevailed in the end.  
**Impact to Industry:** Increased business for pharmacies for chronic medications where PBMs and insurance plans have historically steered their patients to their mail order business instead of through community pharmacy.

**Energy**

**Senate Bill 477/House Bill 2729 – Coal to Clean**  
**NWGA Position:** OPPOSE  
**Status:** Died in committee  
**Summary:** In December 2014 interim, Sierra Club, Citizens’ Utility Board, Renewable Northwest, and other environmental organizations collaborated to advocate for legislation that would have prohibited electricity from coal-fired power plants to be allocated to Oregon past 2025. Replacement power would also have been required to be 90% cleaner than coal generation, thus eliminating the possibility for utilities to utilize natural gas resources.  
**Impact to Industry:** Huge increases in energy costs.

**House Bill 2082/2086/2159 – Carbon Tax**  
**NWGA Position:** OPPOSE  
**Status:** Died in committee  
**Summary:** These bills would have set a price on carbon and taxed citizens accordingly for usage. These taxes would have primarily come through gasoline taxes and electric utility rates.  
**Impact to Industry:** These bills would have adversely affected business through higher electric rates and gasoline prices.

**House Bill 2572 – Carbon Footprint Labeling**  
**NWGA Position:** OPPOSE  
**Status:** Died in Committee  
**Summary:** Mandates carbon footprint labeling on all consumer products sold or offered for sale in the State on and after January 1, 2016.
**Impact to Industry:** Costly and unnecessary labeling requirement which would raise cost of all consumer products in Oregon.

**Transportation**

**Senate Bill 324 -- Low Carbon Fuel Standard**  
**NWGA Position:** OPPOSE  
**Status:** Signed by the Governor.  
**Effective date:** June 8, 2015.  
**Summary:** SB 324 lifted the sunset on the Low Carbon Fuel Standards (LCFS) program set to expire in 2017. The LCFS program requires a reduction in the carbon content of fuels by 5% over the next 10 years. Significant concerns were raised from the business community about the availability of alternative fuel supplies and potential for high gas prices. While Oregon has already accomplished one of the smallest carbon footprints in the country, gas prices are unusually low at the pumps. This cannot be assumed to be a permanent situation. This is providing a short-term boost to businesses and working families who are still weary from the great recession and should not be capitalized upon to implement a hidden-gas tax within the haze of clean air policy.  
**Impact to Industry:** SB 324 is likely to increase fuel costs significantly while not accomplishing any improvement in Oregon’s highway and road systems. Studies have shown increases from a low of $.06 per gallon to as much as a $1.18 per gallon. This creates uncertainty for business owners with the potential to increase the cost of doing business for Oregon businesses. The resulting effect would slow business expansion, capital improvements and reduce jobs. NWGA joined a large coalition in an effort to stop implementation of the low carbon fuel standard, which will increase fuel costs through a hidden gas tax. Although the coalition was unsuccessful this session in the legislature, lawsuits and initiatives have been filed which will extend the debate into 2016.

**House Bill 2281 – Transportation Package**  
**NWGA Position:** SUPPORT  
**Status:** Died in the Senate  
**Summary:** In late June, a bi-partisan transportation package emerged which would have replaced the Low Carbon Fuel Standard with a different biofuel blending program, an increased gas tax, and funding for several infrastructure projects. The plan would have also spent over $14 million to operate electric vehicle charging stations and require half of the state’s school buses to run on compressed natural gas. In total, the $345.5 million transportation bill was estimated to reduce the State’s carbon footprint by 8.5 billion metric tons over 10 years, which is higher than the 7.7 million metric tons predicted to be reduced through the Low Carbon Fuel Standard.
**Impact to Industry:** NWGA supported a comprehensive transportation package that is essential for Oregon commerce, and repealing the low carbon fuel standard that was signed into law earlier in the session.

**Senate Bill 824 – Clean Diesel**

NWGA Position: OPPOSE

Status: Died in Committee

Summary: With the passage of the low carbon fuel standard, environmental advocates are now pushing clean diesel requirements. SB 824 originally required the Environmental Quality Commission to adopt by rule diesel emission standards to phase in implementation of a requirement that all heavy-duty trucks operated in this State must be: Retrofitted with 2007 equivalent engines and 2007 fine particulate matter capture technology; an alternative fuel vehicle as defined in ORS 469.960; or retrofitted with a level 3 emission control as verified by the United States Environmental Protection Agency or the California Air Resources Board. The bill was later amended to a task force but failed to pass.

Impact to Industry: Costly retrofits for diesel trucks increasing transportation costs.

---

**Elections**

**House Bill 2177 – Motor Voter Bill**

NWGA Position: Monitor

Status: Passed legislature and signed by the Governor. Effective date March 16, 2015

Summary: Automatically registers voters who apply for an Oregon drivers license. Initial sweep will tie to driver's license data stretching back to 2013. Elections officials will send a postcard to the prospective new registrants giving them a chance to opt out. The newly registered voters will also have the opportunity to register with one of the state's political parties. If they don't take action, they will be registered as a non-affiliated voter. The Secretary of State's office has estimated that the measure will add about 300,000 to the voting rolls.

Impact to Industry: HB 2177 was politically divided and is expected to help Democrats in future elections.
Washington 2015 Legislative Profile

Governor: Jay Inslee (D) – up for election in 2016

Legislative Majorities:
- Senate: 26-23 Majority Coalition Caucus (25 Republicans, One Democrat) to 23 Democrats
- House: 51-47 Democrat Majority

Senate Majority Leader – Senator Mark Schoesler
Senate Republican Leader – Senator Sharon Nelson
Speaker of the House – Representative Frank Chopp
House Majority Leader – Representative Pat Sullivan
House Republican Leader – Representative Dan Kristiansen

Washington 2015 Session Overview

Washington’s 2014 election cycle tightened up the vote count in the House between Democrats and Republicans, but kept the Democrats in control by two votes. In the Senate, the Majority Coalition maintained its control, even as it had a Democrat member retire. During the 2014 elections, the Republicans picked up an additional Republican vote in the Senate. Because of the party split – House Democrats in charge of the House, and the Majority Coalition Caucus in charge of the Senate – it was difficult for the House and Senate to resolve their issues philosophically or politically.

While this split was advantageous in some ways, especially in preventing negative legislation from passing into law, it made it extremely difficult to pass either an operating budget or a transportation package. In the end, the session adjourned July 10, the longest session in Washington history, finishing after 176 days.

Retail Grocery

HB 1355 – Increasing the minimum hourly wage to twelve dollars over four years
NWGA Position: No position taken
Status: Died in Senate.
Summary: This legislation would have established a statewide minimum wage of $12 over 4 years, reaching $12 an hour minimum by 2019. The bill did not include a local preemption.

SB 6029 – Establishing a living wage
NWGA Position: No position taken
**Status:** Died in Senate Commerce and Labor Committee.

**Summary:** This bill would increase employee wages based on the consumer price index, with annual increases required higher than the current minimum wage increase calculations. In exchange, employers would receive a reduction in their B&O taxes annually. The bill includes preemption language for all local governments on wage and hour issues, including sick leave and minimum wage.

**SB 6087 – An act relating to increasing the minimum hourly wage**

**NWGA Position:** NWGA took no official position, but supported the concepts offered in the bill.

**Status:** Died in Senate Commerce and Labor Committee.

**Summary:** The legislation would require employers that don’t provide health insurance to increase the minimum wage they pay to workers to $13 an hour by 2020. After 2020, wages would continue to increase as adjusted for inflation. The bill would also allow employers to take a credit against the minimum wage increases for providing sick leave to their employees. The bill also included a local preemption on all wage and hour laws.

**Impact to Industry:** These three bills would all have increased the minimum wage in Washington state for all employees, even those covered under a CBA. Each bill had a different method, with the House bill offering a straight increase with no credits for other benefits, and no local preemption. The Senate bills offered differing approaches, both offering credits to employers either with a reduction in the B&O tax (SB 6029) or by offering credits for other benefits offered (SB 6087.)

NWGA will be working during the interim to determine whether legislation could be developed to increase the minimum wage but provide credits for the benefits offered by our members, and also include a preemption on wage and hour issues for local municipalities.

**HB 1356 – Establishing minimum standards for sick and safe leave from employment**

**NWGA Position:** Concerns

**Status:** Passed House 51-46. Died in Senate Labor Committee.

**Summary:** This legislation proposed to take the Seattle sick leave model and implement it statewide by 90 days after the bill was signed by the Governor. The bill would have created a tiered sick leave model, with large employers (250 or more) offering sick leave to an employee at a 1 hour for every 30 hours worked. Employees would be allowed to carry over 72 hours from year to year, and use up to 72 hours per year.
Impact to Industry: This bill would have taken the Seattle sick leave ordinance statewide, and required first day sick leave for all employees in Washington State, regardless of the current CBA contract.

HB 1701 – Ban the Box
NWGA Position: NWGA initially opposed the bill, but was neutral on the amended version.
Status: Died on House Floor.
Summary: The legislation initially contained provisions prohibiting employers from using criminal history to screen employees. However, amendments to the language allowed for an initial prohibition on asking about previous convictions, but did allow employers to deny employment after the individual had cleared the initial application period. Additionally, the private right of action, initially included in the bill, was removed.
Impact to Industry: As preliminarily drafted, this legislation would have prohibited employers from asking about convictions at the time of application, unless those crimes involved financial crimes. NWGA and others worked with the proponents of the legislation to amend the bill to allow for usual and customary screenings after the initial application of the individual. In essence, the individual could apply for a job, but after the initial application, if the individual was found to have criminal convictions not suited to the grocery work place, they could be denied employment without repercussion. NWGA advocated for language to be included to screen for Level II and III sex offenders on the initial application; that language was not included. The bill as amended did not significantly impact the grocery industry, and NWGA moved to neutral. If the same bill is proposed during the 2016 session, NWGA will likely remain neutral on the bill.

SB 5513 – Creating the workers’ recovery act by amending provisions governing structured settlements by lowering age barriers and clarifying legislative intent
NWGA Position: Support
Status: Died in House.
Summary: The legislation would have removed the age floor for use of the final settlement agreements (currently set for age 50 by 2016.)
Impact to Industry: NWGA has worked with the business community to lower the arbitrary age restriction of age 50 from the final settlement agreement program. The program is not being utilized because of this age restriction, and employers are forced to continue with other antiquated processes, like side-bar agreements, to try and resolve claims.

SB 5510 – Simplifying and adding certainty to the calculation of workers’ compensation benefits
NWGA Position: Support
Status: Signed by Governor.
Effective Date: Study bill. Scheduled to begin August 1, 2015 with reports due February 1, 2016 and September 1, 2016.
Summary: As initially drafted, the bill would have required a complete overhaul to the wage calculation system. Wages would have been calculated to a flat rate, plus health insurance (under the Cockle decision.) A work group must be convened by the Washington Department of Labor and Industries by August of 2016; a report is due to the Legislature in September of 2016.
Impact to Industry: As initially drafted, a change in the wage calculation for employers would have saved NWGA members money in just the time and effort of trying to calculate a wage at time of injury for workers. A study, while not ideal, will force both employers and workers to the table with Labor and Industries to determine if a new, streamlined method of calculation wages is necessary and can be developed.

HB 1078 – Enhancing the protection of consumer financial information
NWGA Position: Opposed as introduced; neutral on final passage
Status: Signed by the Governor.
Effective date: July 24, 2015
Summary: Notification must be provided to consumers when a data breach of encrypted data occurs, except if the breach is not reasonably likely to subject consumers to a risk of harm. Notification requirements are established – notice must be in plain language, include contact information, and a phone number. If over 500 individuals are involved in the breach, notification must also be provided to the Washington State Attorney General’s office.
Impact to Industry: This bill came from the Washington State Attorney General’s office. The AG was growing increasingly concerned with the number of data breach incidents occurring and wanted to pass legislation to make notification requirements more stringent than current law. NWGA worked with the staff of the Attorney General’s office to significantly modify the bill. Notification is now only required if the breach of encrypted data could reasonably cause consumers harm. The private right of action was removed, and individuals cannot sue companies under the Consumer Protection Act as was initially proposed.

Budget and Taxes

SB 5077 – Operating Budget
NWGA Final Position: Support, with concerns
Status: Signed into law.
Effective date: July 24, 2015
Summary: The greatest differences between the House and the Senate could be seen in the development of the operating budget. The House supported a
comprehensive tax package, which at times included a capital gains tax, funding provided by a cap and trade tax, a sales tax on bottled water, and the closure of several tax exemptions. The Senate relied on two funding sources to balance the budget – an increase in the sales of recreational marijuana, and increased revenues to the state as businesses recovered. This increase created more B&O tax revenue, and increased sales tax revenue.

The battle between the House and Senate proved very contentious, with lawmakers unable to reach a final agreement until days before the June 30 deadline. The Governor did not sign the bill until 11:40 p.m. June 30, minutes before a full government shut down.

The final agreement included no new taxes on the grocery industry, or our supply partners. The agreement did decrease the dividends provided to retailers for the sales of Lottery tickets from 6% to 5%; it is unclear whether this reduction must be done across the board, or if it can be taken more significantly from tickets issued from machines and less from tickets issued by customer service (where labor costs are more intensive.) The retail community is working with the Lottery Commission to determine details.

HB 1695 – Concerning youth substance use prevention associated with tobacco and drug delivery e-cigarettes and vapor products
NWGA Position: Opposed
Status: Died in House Chamber
Summary: The legislation would regulate the e-cigarette industry, including both cigalites and liquid, refillable systems. The bill included a 95% ad valorem tax on the product at retail, a prohibition on flavored products including menthol, and prohibitions on internet orders and sales. The bill gave authority to the Washington Liquor and Cannabis Board (WA LCB) to develop labeling requirements and control over ingredients in the products.

HB 2194 – Creating a funding stream and program for cancer research, prevention and care
NWGA Position: Opposed
Status: Died in House Chamber
Summary: The bill creates a 10% excise tax on all tobacco products except “little cigars” at the point of distribution into Washington State. A $.025 per cigarette tax was also created. The floor stock tax currently applied to cigarettes would be applied to all tobacco products.

SB 5808 – Concerning cancer research
NWGA Position: Opposed  
Status: Died in Senate Chamber  
Summary: The legislation increased tobacco taxes on cigarettes an additional $0.025 per cigarette. It also created a 10% additional excise tax on all tobacco products to be placed into a new cancer research fund.

Impact to Industry: All of these bills would have substantially increased the cost of tobacco and nicotine products in stores. The taxes on tobacco products would have pushed the price of cigarettes to the highest in the nation, ahead of New York. The vapor regulation bill (HB 1645) would have nearly doubled the cost of e-cigarettes, which are sold by some of our members. Additionally, there would have been Washington-specific labels developed for these products, and a Washington-regulated ingredients list, both of which could be changed by rule at the Board. With no federal standards on these products, these changes would have made these products cost-prohibitive in Washington State, and shift sales to other states and to the internet. (Even with the internet prohibition, there would be no way to enforce the law without a national standard.)

It is the intent of the prevention community to increase the cost of these products to provide additional funding for cancer research, and to also make these products extremely expensive for consumers. Washington State currently leads the nation in black market importation of tobacco products at a loss of $350 million in tax revenue for the last few years. Additionally, native tribes are able to sell these products without many of the taxes imposed by retailers. These bills would have significantly impacted Washington retailers, and put our stores at a competitive disadvantage to the tribes and other retail outlets. It was the recommendation of NWGA that the WA Liquor and Cannabis Board be given additional resources to go after black market importation of these products, and use that revenue to fund cancer research programs.

Initiative Process

SB 5375 – Requiring disclosure by entities that compensate for petition signatures  
NWGA Position: Support  
Summary: The bill is modeled after Oregon’s registration law. The bill required the employers of signature gatherers to provide baseline contact information to the Secretary of State’s office for their signature gatherers. Additionally, signature gathering companies operating in Washington State would be required to provide contact information, which measures they were working for, a valid business license, and an attestation that the business was operating legally in Washington. Signature
gatherers would be required to take on-line training course which would be developed by the Secretary of State’s office.

**Impact to Industry:** Retailers have struggled with how to honor the rights of individuals to gather signatures for ballot measures in public spaces but still ensure the rights and safety of customers and business owners. Retailers have documented incidents of signature gatherers harassing customers and staff, and have made repeated calls to law enforcement on individuals creating problems at stores. At the Legislative hearing, grocers from NWGA and other retail industries testified in support of the bill. However, the Chair of the committee expressed her outright opposition to the legislation, and the bill did not move forward.

**SB 5920 – Changing the timeline for filing initiative measures**

**NWGA Position:** Oppose  
**Status:** Died Senate Rules.  
**Summary:** Changes the filing period for an initiative from 10 months to 20 months. The time period to allow for the collection of signatures is extended from six months to 16 months.  
**Impact to Industry:** This legislation would have doubled the window of time for the filing of an initiative, and almost tripled the amount of time to gather signatures for qualifying. Without legislation to address the issues around specific signature gatherers at retail stores, this bill would have further exacerbated issues already present at store sites.

**Pharmacy**

**SB 5441 – Addressing patient medication coordination**

**NWGA Position:** Neutral  
**Status:** Signed by the Governor.  
**Effective date:** July 24, 2015  
**Summary:** The bill establishes a medication synchronization program with pharmacies and insurance companies. For individuals with a high number of prescriptions, medications would be synchronized to one day each month to coordinate the dispensing of all of their medications. Ideally, this process would involve a face-to-face meeting with the pharmacist to coordinate all of the prescriptions. Insurance companies would be required to cover the costs for the medications on a short fill or to fill a prescription for longer than 30 days if either circumstance is needed to coordinate the prescriptions to one dispensing date.  
**Impact to Industry:** Pharmacies will be able to dispense prescriptions in a methodology to synchronize a patient’s medications. This will allow a pharmacy to dispense a drug for more or less than 30 days, and have that prescription be covered by an insurance provider. Patients will have the co-pays covered, but at a discounted
rate (either at 50% or based on 15-day increments.) Pharmacies will be paid for the prescriptions, and the initial dispensing fee. Insurance carriers, however, will likely not provide an additional fee to cover further costs.

SB 5557 – Addressing services provided by pharmacists
NWGA Position: Support
Status: Signed by the Governor.
Effective date: Immediately for pharmacists currently working in credentialed health care facilities (like community clinics); the law is effective for all other pharmacists beginning January 1, 2017.
Summary: Under this new law, services provided by pharmacists can be billed to insurance carriers, similar to other providers. This will include services provided at retail pharmacy sites to cover cholesterol screenings, bone density scans, and immunizations beyond just the cost of the shot. Pharmacies will be able to recoup the costs of providing these services to customers at store sites, as long as the pharmacist and pharmacy are in the covered provider networks.
Impact to Industry: While not a huge cost savings to retail pharmacies initially, retailers will have the ability to recoup costs for their pharmacists providing services to customers on a daily basis. Specifically, pharmacies will be able to bill carriers for the costs of screenings and immunizations beyond just the cost of the medications themselves, but for the time to provide those services.

SB 5857 – Addressing registration and regulation of pharmacy benefit managers (PBM)
NWGA Position: Support
Status: Died in House Chamber.
Summary: The legislation would require PBMs to register with the Office of the Insurance Commissioner (OIC). The OIC would have the authority to mediate disputes between a pharmacy and a PBM over specific disagreements on reimbursement issues.
Impact to Industry: Over the last several years, PBMs have worked between pharmacies and insurance carriers in determining how much a pharmacy will be reimbursed for the cost of a medication. Typically, the PBM reimburses at a significantly lower rate than the cost of the drug to the pharmacy, which has already been dispensed to the patient. As a result, pharmacies are not having their costs covered.

This bill would have provided an opportunity for the Office of the Insurance Commissioner to act as a third party in the mediation of a dispute between a pharmacy and a PBM for the reimbursement of costs of a prescription. There is no requirement that the OIC rule in favor of one party or another, just that there is a forum for both
sides to present. The law would require review of costs based on the regional wholesalers used by pharmacies; PBMs could not use examples of prices from another part of the country.

The PBMs actively opposed this legislation. Additionally, they involved the labor unions, convincing them that by allowing a mediation service between pharmacies and PBMs, costs for the unions’ Tafts trust would increase. The pharmacy community disputed that finding, but we were unable to move the bill forward before the end of session. There will be continued work on this issue during the interim to determine whether there would be increase cost to trusts and Tafts. The state insurance providers – the Uniform Medical Plan and Medicaid – both identified their costs as zero.

Liquor

HB 1807 - Assisting small businesses licensed to sell spirits in Washington State
NWGA Position: Initially opposed; final position was neutral
Status: Signed by the Governor
Effective date: July 24, 2015
Summary: As initially drafted, the bill would have allowed retailers that sell below $300,000 worth of spirits per month to sell up to $50,000 at a 7% fee rate, and apply the 17% to the rest of their sales. Retailers that sold more than $300,000 of spirits would be required to apply the 17% to all sales. The bill also allows for a streamlined process for centrally warehousing product for multiple retailers, and a reduction in penalties for former contract and state run stores that are having difficulties paying their license fees. The bill was substantially modified before final passage, and the language relating to the 17% fee was removed.
Impact to Industry: After negotiations with NWGA and other retailers with the proponents of the bill, that 17% language was removed. NWGA did not have a position on the other portions of the bill, and the warehousing language actually improves central warehousing for some retailers that purchase as part of a cooperative agreement.

HB 1965 - Implementing a temporary additional fee on licenses and permits issued by the Washington state liquor control board
NWGA Position: Neutral
Status: Signed by the Governor.
Effective date: July 24, 2015
Summary: The bill provides the WA Liquor and Cannabis Board the ability to apply an additional 6.2% fee on current license fees from June 30, 2015 to June 30, 2017. This additional fee does not apply to the 5-10% distributor fee or 17% retail fee on spirits. The fee is to be used to update internal computer systems, automate the licensure
system, and make other, detailed improvements. The WA LCB cannot actually receive 
the funds until June 2016 after they have developed their modernization plan with 
stakeholders. A report is due to the Legislature, the Office of Financial Management, 
and others at that time.

Impact to Industry: The fee increase will affect licenses issued by the WA Liquor 
and Cannabis Board to retailers. This will increase costs. However, because of the 
passage of prior legislation requiring license streamlining during 2014, and the 
directive in this legislation to work with stakeholders on the development of the 
systems, NWGA believes we can work with the WA LCB to modernize their computer 
system and streamline the licensure process. There are a multitude of endorsements 
and licenses required for any one grocery store, and the entire licensure process must 
be examined. This bill gives us the opportunity to work with the WA LCB to design a 
new computer system to accommodate those license changes.

HB 1343/SB 5301- Concerning spirits retailers when selling for resale
NWGA Position: Support
Status: Died in Chambers.
Summary: The bills remove the 17% retail fee from wholesale transactions between a 
retailer and an entity buying the product at wholesale.
Impact to Industry: During the rulemaking process in 2012, the Washington Liquor 
Control Board incorrectly applied the 17% retail fee to wholesale transactions between 
a retailer and an on-premise licensee. NWGA opposed this language in the rules, but 
they were finalized and approved by the WA Liquor Control Board. Over the last few 
years, NWGA has worked with a large coalition including the Washington Restaurant 
Association and the Washington Food Industry Association to eliminate the application 
of the 17% fee on wholesale transactions with on-premise retailers. This legislation 
would have eliminated the 17% fee for retailers, and prevented deliveries until July 1, 
2017. Retailers and restaurants were opposed by the big distributors, and some spirits 
manufacturers also openly opposed the legislation. While there is support to move the 
bill in the Senate, the House continues to resist bringing this issue to the floor for a 
vote. As a result, the 17% fee remains on retailer sales to on-premise licensees, but is 
not applied to former contract and state run stores.

SB 5280- Concerning the sale of beer and cider by grocery stores 
licensees
NWGA Position: Support
Status: Signed by the Governor
Effective date: July 24, 2015
Summary: The bill allows grocery stores with more than $15,000 in liquor inventory to 
install a growler station for beer and cider. Employees staffing those stations must be 
MAST trained (Mandatory Alcohol Server Training). EBT cards cannot be used by 
individuals to buy growlers.
Impact to Industry: After several years of effort, NWGA was successful in passing legislation to allow retailer grocers that offer EBT services to also sell beer and cider in growlers. NWGA partnered with independent retailers and the beer industry to pass this bill. The legislation does give rulemaking authority to the WA Liquor and Cannabis Board, and includes their authority to regulate the size of the growlers offered.

Transportation

SB 5987 – Concerning transportation revenue
NWGA Position: Support
Status: Signed by Governor.
Effective date: First gas tax increase goes into effect August 1, 2015. Second increase is July 1, 2016.
Summary: Increase of fuel taxes – these are permanent increases: August 1, 2015 - $0.07 per gallon; July 1, 2016 - $0.049 per gallon. Increases in the gross weight fees – please see complete bill report for SB 5987 at:
Impact to Industry: NWGA supported this transportation package along with business associations throughout Washington. The Legislature has not passed a meaningful transportation package in almost a decade, and this new funding will be focused on highway improvements. Of the $16.1 billion that will be generated, $8.8 billion will go to road projects, $1.4 billion will go to maintenance needs. Regrettably, there is no funding for the Columbia River Crossing.

Local Government

HB 1517 – Concerning the distribution of liquor revenues to local jurisdictions
NWGA Position: Support
Status: Died in House Appropriations Committee.
Summary: The bill would have gradually returned public safety funding to local governments from the Washington liquor revolving fund that were swept by the Legislature in 2012.
Impact to Industry: This bill has no financial impact to the retail grocery industry, but does have a significant positive impact to local governments. NWGA has long advocated for the return of funding from the liquor revolving fund to local law enforcement to improve law enforcement staffing ratios and response times. This would, in turn, help local grocers, who call law enforcement when shoplifting and other incidents occur in the stores, but do not get a timely response because law enforcement cannot take the call.
HB 1593 – Concerning local transportation options
NWGA Position: Opposed
Status: The bill received a hearing in the House Transportation Committee, but did not move forward.
Summary: The bill authorizes cities to implement a street utility tax, and also allows transportation benefit districts to impose a vehicle fee of up to $50 and a sales and use tax of up to .02% with a vote of the governing board.
Impact to Industry: NWGA opposes street utility taxes, and testified against this legislation. The bill did receive a hearing, but the Chair of the Committee did not move the bill forward. The issue was not considered in the Senate.

Environment

HB 1174 – Concerning flame retardants
NWGA Position: Oppose
Status: The bill passed back and forth between the House and Senate as the Legislature worked to find agreement, but failed to pass before the end of session.
Summary: As originally drafted, the bill would have banned several specific categories of flame retardants. Additionally, the legislation would have authorized the Washington Department of Ecology to further ban other flame retardants by rule, instead of having to work through the legislative process.
Impact to Industry: Flame retardant bans are complicated for retail grocery. Many NWGA members sell furniture, children’s products, and other materials that contain some kind of flame retardant, especially in the internal padding. The environmental community has worked for years in an attempt to ban flame retardants, but, more importantly, to give the Washington Department of Ecology the authority to ban those products by rule and not by law. NWGA has opposed those efforts. Banning chemicals by rule would make it very challenging for Washington businesses to stay current with various regulations, and would allow the Department of Ecology to ban chemicals within several months, as opposed to an annual legislative session. The legislative process also provides a much broader forum for debate about the safety and efficacy of these products than a state agency hearing.

HB 1472 – Concerning the use of chemical action plans to require safer chemicals in Washington
NWGA Position: Oppose
Status: The bill moved between the House and Senate several times, but lawmakers failed to reach agreement on a final bill before the end of session.
Summary: The bill would have created an alternative assessment program for chemicals both in waterways and in household products. The structures for the
alternative assessment were fairly regulated, but would have captured items sold in retail grocery stores.

**Impact to Industry:** NWGA spent a significant time working on this legation, both during the 2014 interim, and during the 2015 session. This bill was highly political, as the Governor tied the passage of this legislation to a water quality rule required by the U.S. Environmental Protection Agency (EPA) on storm water requirements. Many Washington businesses, including those with warehouse facilities like grocers, need this rule to be passed and submitted to the EPA for approval. If the rule is not submitted to the EPA, the federal government will step in and issue their own requirements. The Governor, determined to pass a chemical regulatory bill, refused to sign the water quality rule and submit it to the EPA without passage of HB 1472.

Over the six month session, industries including NWGA worked with the Governor’s office to see if a reasonable compromise could be reached. One of the most critical components for retail was a bright line to determine who was responsible for providing information to the WA DOE if a chemical was identified as being part of an alternative assessment – would it be the retailer, the distributor, the importer? Whoever was determined to be responsible would also be responsible for the costs associated with that alternative assessment. For a smaller retailer, it would be nearly impossible for that retailer to determine what was in a product or to push a company abroad to provide that information.

NWGA worked to provide clarification in the definitions of which companies/distributors would be affected, what data needed to be provided, the costs associated with an alternative assessment, and other key components of the bill. While NWGA did not support the legislation, it was important to work with lawmakers and the various agencies in case the bill did pass.

In the end, lawmakers themselves scuttled the bill. In the last hours of one of the special sessions, a couple of lawmakers attempted to expand the scope of the legislation broadly and include the original language from HB 1174 (flame retardants) into HB 1472, the water quality bill. Certain lawmakers wanted to hang an amendment to the bill to give the Department of Ecology the authority to ban flame retardants by rule – a “deal killer” for the business community and some lawmakers. As a result of this last-minute effort and other actions by lawmakers the bill failed.

It is unclear how the Governor intends to proceed on the water quality rule. Businesses have contact the Governor and asked him to submit the rule to the EPA even though HB 1472 didn’t pass. The bill failed because of lawmakers, not because of business. However, it is unclear whether the Governor will allow the rule to move forward, or allow the EPA to step in with its own rules instead.
HB 1314 – Implementing a carbon pollution market program to reduce greenhouse gas emissions

NWGA Position: Oppose

Status: The bill received hearings in both the House Environment Committee and the House Appropriations Committee, but did not pass the House Appropriations Committee before the end of session.

Summary: The bill would have established a cap and trade program similar to what has been implemented in California.

Impact to Industry: Governor Inslee has made environmental efforts a critical part of his first term in office. He continually pushes for both a low carbon fuel standard and a cap and trade policy both during and outside the legislative session. This proposal would have established a cap and trade proposal on 130 Washington businesses, which he refers to as the “dirty 130.” These businesses, predominantly utility companies and large, single-site businesses, would have their emission level capped and be required to find additional companies to sell to them an allowance to emit at a higher level. Over the next decade, the caps would continue to decrease, requiring these businesses to adapt or buy more emission allowances on the open market. Additionally, the program would expand to include low emitters as well.

If this proposal does not pass in 2016, it is highly possible some kind of cap and trade proposal will be on the 2016 ballot. There are already initiatives filed with the Secretary of State to begin the process, and signature gatherers are out there on one or two of the proposals already.

The Governor has also announced his intention to have the Washington Department of Ecology develop the cap and trade program by rule, without legislation. He believes the agency has the authority to implement the program under existing laws, although it is unclear whether the authority exists to require businesses to pay fees and taxes as part of the program.
Idaho 2015 Legislative Profile

Governor: C.L. “Butch” Otter (R)

Legislative Majories:
Senate  28-7  Republican Majority
House   56-14 Republican Majority

Legislative Leadership
Senate President Pro Tem: Brent Hill (R-Rexburg)
Senate Majority Leader: Bart Davis (R-Idaho Falls)
Senate Minority Leader: Michelle Stennett (D-Ketchum)
Speaker of the House: Scott Bedke (R-Oakley)
House Majority Leader: Mike Moyle (R-Star)
House Minority Leader: John Rusche (D-Lewiston)

Idaho 2015 Session Overview

In the 2014 elections Idaho Republican candidates continued to dominate by sweeping all constitutional elected offices and 84 of 105 legislative seats. Many pundits wondered if the Tea Party fringe would capture some statewide seats but that did not happen. Idaho remains very conservative yet operating within a “traditional” republican platform.

The House remains a “divided” House starting at the top with a significant tea party-type alignment inside the House majority leadership. The House Speaker spends a good deal of time balancing and adjusting committees and bill assignments to avert negative press resulting from intra-party fighting on the floor. This divide hampers objective, forthright debate on issues and across-the-isle coalition building. As a result, the lopsided majorities in both chambers leave much work to do on some issues trying to find a majority within the majority to pass a bill, any bill.

Predicting issue outcome is tricky business. For example, this conservative legislature passed new taxes and fees for road and bridge maintenance and construction though refused to consider a minimum wage proposal and held it in committee without a hearing; floated numerous proposals to repeal the sales tax on groceries but passed none; reauthorized an income tax credit for citizens, business and corporate foundations donating to schools and libraries; and increased general fund appropriation levels for teachers salaries by introducing a new career ladder formula.

Lastly, in an unusual circumstance, the legislature refused to consider a bill to align Idaho’s child support systems with U.S. systems and other countries (if part of
international treaties). This anti-federal sentiment required a one-day extraordinary session (May 18, 2015) to be called by the Governor for retooling and reconsideration of the legislation.

The 2015 Legislative Session began January 12, 2015 and adjourned sine die April 11, 2015 (and the extraordinary session convened /adjourned May 18). When the Legislature adjourned sine die on April 11th, it had been in session for 89 days. The 2015 legislative session, the longest since 2009, was 15 days longer than the 2014 session.

During the 2015 session, 763 proposed pieces of legislation were prepared for legislative committees and individual legislators. From that initial group of draft proposals, 523 bills were introduced (assigned a bill number), along with another 72 resolutions, memorials and proclamations. By the end of the session, 351 bills had passed but after the Governor’s review only 347 bills became law. Four bills were vetoed by the Governor and one bill received a line-item veto. The majority of the new laws became effective July 1, 2015.

Proposed bills throughout the session were read and analyzed to determine any impact upon the grocery business. The Idaho NWGA lobby team tracked 37 bills containing direct and indirect significance to NWGA members. This report presents only those bills that held a real possibility at some time of becoming law. Some bills introduced presented consequences in how NWGA members may operate their businesses, and some resulted in new taxes, fees, regulations and mandates; and fortunately, a few other bills benefitted grocery employers and businesses.

**NWGA Sponsored Legislation**

*There was no NWGA sponsored legislation.*

**Retail Grocery**

**SB1111 - Minimum Wage**

NWGA Position: Monitor

Status: DIED in Senate State Affairs

Summary: Raises minimum wage for workers (not clear on hours-assumed 40 hours per week) from current $7.25/hour to $8.50/hour in July 2015 and $9.75/hour in 2016, and then tied to the consumer price index going forward. The proposal was developed by a coalition of 23 groups including public employees and social justice groups.

**SB1168 – Employer Workers Compensation Rates**

NWGA Position: Support
Status: Signed into law.
Effective date: July 1, 2015
Summary: This bill permanently reduces the premium tax rate for workers compensation insurance premiums from 2.5% to 2.0% beginning January 1, 2016.
Impact to Industry: Retail stores will see a reduction in their premium costs. There will be a positive savings for grocery store companies as a result of less premium costs. Each store may apply a .05% reduction to their respective annual workers compensation premiums to derive an estimate of savings. Overall workers compensation rate savings is estimated at $290,000.

Tax

HB29 - Business Personal Property Taxation Exemptions
NWGA Position: Monitor
Status: Signed into law.
Effective date: July 1, 2015
Summary: This legislative proposal makes three technical corrections. Section one of the proposal relates to the definition of a taxpayer using property tax concepts instead of income tax concepts. Section two of the proposal relates to property tax loss replacement money to counties and refunds on improperly claimed exemptions. Section three relates to operating property and the $100,000 per county exemption. The proposal would limit the total amount of the exemption to the lesser of $100,000 per county or the total amount of personal property identified on the companies' reports.
Impact To Industry: Brings predictability to personal property tax exemption calculations. With each NWGA member’s store in a different county eligible to receive up $100,000, property tax savings will be important. To determine your impact determine the number of counties in which you have a store and multiple that by $100,000 for your tax exemption.

HB35 - Income Tax Preparation, Filings & Returns Requirement
NWGA Position: Monitor
Status: DIED on House Floor [25-44-1]
Summary: This proposal would require electronic filing of income tax returns by paid tax preparers once they meet a filing threshold. The legislation also requires large partnerships and large corporations to electronically file income tax returns. The legislation also requires large partnerships and large corporations to electronically file income tax returns.
Impact to Industry: $25,000 estimated cost to retailers filing in Idaho.

HB220 - Income Tax Credits - Charitable Contributions
NWGA Position: Monitor
Status: Signed into law.
Effective date: January 1, 2016
Summary: Amends and repeals existing law relating to income tax credit for charitable contributions and limitations. It removes the January 2016 sunset and retains the $5,000 limit for corporation, $1,000 limit for couples and $500 for individuals.
Impact To Industry: Allows retailers to take the full $5,000 tax credit for charitable contributions.

HB237 - Food Use Tax
NWGA Position: Monitor
Status: Signed into law.
Effective date: April 2, 2015.
Summary: Amends existing law to provide that the Use Tax shall not apply to a retailer supplying prepared food or beverages free of charge to its employee when that retailer sells prepared food or beverages in its normal course of business. Retailers are sponsors.
Impact To Industry: Allows retailer to provide sales tax ‘free’ deli meals to employees.

HB283 - Streamlined Sales Tax
NWGA Position: Monitor
Status: Died in House Revenue & Taxation.
Summary: Amends and adds to existing law to enact the Streamlined Sales Tax. This legislation, the Streamlined Sales Tax Simplification Act, brings together the relevant applicable statutes affecting the collection of remote Idaho sales and use taxes. The sales/use tax statutes will be modified to join, with 24 other states, the Streamlined Sales Tax Governing Board. These changes do not create new taxes or create any product or organizational exemptions but rather establishes uniformity of definitions and uniformity of administration of sales/use taxes, such as, uniform tax electronic reporting and use of an automated clearing house.

HB311 - Transportation, Income, Grocery and Sales Tax
NWGA Position: Monitor
Status: Died in Senate Transportation
Summary: Overall goal is to remove grocery tax, increase transportation funding and reduce income tax rates. Starting Oct. 1, 2015 increase fuel tax by $.07. For distributors the tax will include fuel already in tanks. New money would be distributed 60% state/40% local. Lower income tax for the upper brackets to 6.7% and lower 4 brackets will remain the same tax rate Effective Jan. 2015 Repeal Food Tax Credit. $5M one time money out of the general fund - $3M to state/$2M to local. Starting Oct. 1, 2015 remove sales tax on groceries – using SNAP definition. Create a floor for counties and cities for
the sales tax distribution with a 3 year sunset. Replaced with HB330.

**Transportation**

**HB132 – Gaseous Fuels Permit**  
**NWGA Position:** Monitor  
**Status:** Signed into law.  
**Effective Date:** July 1, 2015  
**Summary:** This bill repeals Idaho's current annual special gaseous fuels tax permits and uses an energy equivalency. Once the CNG and LPG is converted into a diesel and gasoline gallon energy equivalent, a $.25 per gallon fuel tax is applied. This tax will be paid at the pump or to the distributor.  
**Impact to Industry:** $375,000 is expected to be collected from CNG/LPG vehicles across all commercial and private sectors.

**HB312a - Fuel Taxes, Vehicle Registration, General Fund Surplus Eliminator**  
**NWGA Position:** Monitor  
**Status:** Signed into law.  
**Effective Date:** Motor Fuel Tax Effective: 7/1/15, Registration Fees Effective: 7/1/2015  
**Summary:** Increases registration fees for all vehicles by $21, motorcycle registration by $6, $150 electric cars and $100 for hybrid cars Heavy Truck registration $25 Increase fuel tax by $.07 effective immediately from $.25 to $.32. Included ton mile tax intent language requiring the development of a formula by 2019. Added surplus eliminator diverting up to 1% of general fund revenue in excess of 4% over previous fiscal year. Adding a sunset of May 31, 2017.

**HJM8 – Heavy Trucks and Designated Interstate Routes**  
**NWGA Position:** Monitor  
**Status:** ADOPTED-Transmitted to Congress  
**Summary:** Stating findings of the Legislature and urging and petitioning the Congress of the United States to enact the pending legislation introduced by the Idaho congressional delegation providing legal authority to the State of Idaho to determine whether to allow 129,000-pound vehicles on the federal Interstate highway system in Idaho.  
**Impact to Industry:** Sends message of support to Congress that less truck trips/truck miles may be realized if Congress designates Idaho as a 129,000 pound commercial truck weight state on interstate highways.

**SB1028 - Speed Limits**  
**NWGA Position:** Monitor
Status: Signed into law.
Effective date: July 1, 2015
Summary: This is one of a series of bills that the Idaho Supreme Court has recommended in its annual report to the Governor concerning defects or omissions in the laws. There is no provision in Idaho Code § 49-654 requiring drivers to observe legally set speed limits lower than 75 mph on interstate highways or lower than 65 mph on state highways. This bill would implement the legislative intent by making it an infraction for drivers to exceed the posted limits on interstate highways and state highways.

PHARMACY

Rule 27-0101-1401 - Biosimilar Substitution - Physician notification
NWGA Position: Support
Status: Signed into law.
Summary: The rule defines biological and biosimilar products. In addition it clearly outlines when a biosimilar product is dispensed in place of a biological product a physician notification is not required by the pharmacist.
Impact to Industry: There will be a positive fiscal benefit for in-store pharmacies related to the pharmacy staff time involved in outside party notification. The individual store or companywide impact depends upon each store’s or companywide frequency of substituting biosimilar products in prescriptions.

HB175 - Medication Notification
NWGA Position: Oppose
Status: Died in House Health and Welfare
Summary: The purpose of this legislation is to allow for notification to a prescriber (physician) in the event a pharmacist makes a substitution of a biosimilar medication. The legislation allows for a three-year sunset provision.

HB5 - Pharmacy Licensure and Discipline
NWGA Position: Support
Status: Signed into law.
Effective date: July 1, 2015
Summary: This legislation would eliminate the requirement of fingerprinting for pharmacist, student pharmacists, and technician reinstatement applicants if their license or registration is lapsed by two to twelve months.

HB6 - Pharmacy Prescription Drug Transmission in Long Term Care Centers
NWGA Position: Support
Status: Signed into law.
Effective date: July 1, 2015
Summary: This bill will allow a nurse to transmit orders to a pharmacy for hospice patients via all means that are currently allowed for patients in an institutional facility. Additionally, this bill will allow a nurse to electronically transmit to a pharmacy an order that the nurse received verbally from a prescriber for a patient in an institutional facility or a hospice patient.

HB149 - Contact Lenses
NWGA Position: Support
Status: Died in Senate Judiciary and Rules
Summary: The bill prohibits contact lens manufacturers from setting floor prices for retailers. Currently a prescribing doctor chooses the brand of contact lenses so a consumer cannot freely substitute the prescribed brand of contact lenses for another version. Prevents contact lens manufacturers from setting price floors locking in retailers to a set customer price.

HB188 - Pharmacy Benefit Managers
NWGA Position: Monitor
Status: Died in House Health and Welfare
Summary: Adds to existing law to provide for pharmacy audit integrity and to authorize the use of pharmacy benefit managers. The purpose of this legislation is to 1) establish minimum and uniform standards and criteria for the audit of pharmacy records by or on behalf of PBMs and other authorized entities; 2) establish a Pharmacy Benefit Manager Transparency Act that includes a registration and disclosure of information requirements; and 3) establish transparency of the covered prescription drug lists and the methodology that determines how reimbursement to the pharmacies is ultimately calculated. Language is modeled after Oregon and Washington.

ELECTIONS

HB216 - Local Elections and Initiatives
NWGA Position: Monitor
Status: Signed into law.
Effective date: July 1, 2015
Summary: Repeals, amends and adds to existing law to provide initiative and referendum procedures for cities. New section setting out requirements for city referendum; elections take place in Nov. of odd number years; requires 20% signatures of voters from last election; 6 month collection period; no bonding measures.