

GROWERTALKS

SAF in the Lobby

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Washington Deep in Farm Bill Drama: A Detailed Look

Society of American Florists

In late May, the House rejected the Farm Bill—officially known as H.R. 2, the Agriculture and Nutrition Act of 2018—on a vote of 198 to 213.

Significantly, the reason it was voted down wasn't primarily due to anything related to the bill; it was voted down because of something unrelated to it: immigration. Further, it was a group of Republicans that were key to defeating their own leadership's bill. The saga underscores the polarizing impact of immigration reform.

The Farm Bill is an important piece of legislation that determines a wide swath of policies in the Agriculture Department, including commodity programs, trade, rural development, farm credit, conservation, agricultural research, food and nutrition programs, marketing and other areas. It's a multi-year bill that's only voted on twice every 10 years. Importantly, it includes programs that are valuable to the floral and nursery industries.

Early in May, a group of moderate House Republicans filed a "discharge petition" that would force a vote on four different immigration bills. Under the petition, the bill that obtained the most votes over 218 would pass the House.

A discharge petition is a little-used method to circumvent the House leadership and bring legislation to the floor that the leadership doesn't necessarily want voted on. If 218 members of the House sign the petition, the legislation it calls for has to be brought to the floor. If a discharge petition is successfully executed, it essentially signals that the leadership has lost control of the floor.

The month wore on and when the time to consider the Farm Bill arrived, the discharge petition had obtained 196 of the 218 signatures it needed and one of the Republican authors of the petition claimed to have "more than enough" other members who would sign the measure.

As support for the discharge petition increased as the Farm Bill vote approached, leaders of the conservative House Freedom Caucus demanded that Speaker Paul Ryan (R-WI) commit to a House vote on the Goodlatte bill by itself (as opposed to the process which would allow other bills as outlined in the petition) in exchange for their support of the Farm Bill. The Farm Bill contained some provisions that were opposed by Democrats, so the legislation would have to be supported by almost every House Republican to pass.

No commitment to vote was made to the Freedom Caucus and they voted against the Farm Bill, along with a number of Republican moderates. In the end, the bill received no Democrat votes and was opposed by 30 Republicans.

Following the Farm Bill being voted down, House Majority Whip Steve Scalise (R-LA) said that the legislation will get a second vote in late June after a vote on a conservative Goodlatte immigration bill. However, the method of voting on the Goodlatte bill may present a problem. The Freedom Caucus has been demanding the bill be considered by itself, where the group pushing for the discharge petition has insisted that the four bills be considered at the same time.

Choosing one process over the other may ensure one or the other group's opposition and lead to many situations where the House becomes even more unsettled and the Farm Bill's fate in question (in addition to the fate of immigration reform).

Underlying all of this is the jockeying for the leadership of the House. Speaker Ryan is retiring at the end of this Congress. He has expressed his support for Majority Leader Kevin McCarthy (R-CA) to be the next speaker. The Freedom Caucus has held deep suspicions about their positions on immigration reform.

How the Republican leadership handles the votes in the third week in June will be highly consequential for not only the Farm Bill and immigration reform, but it may also determine the nature of the House in the next Congress.

SAF Participates in Federal Specialty Crop Research Plan

SAF recently participated in a workshop hosted by the USDA's Agricultural Research Service (ARS) to determine high-priority objectives for a new five-year plan on specialty crop research.

ARS is in the process of creating a new multi-year plan for National Program 305 (NP 305), which focuses on specialty crop production and pollinator research. ARS requested that SAF provide feedback on the floral industry's priorities to help drive research by USDA on specialty crops and pollinators.

Research conducted in the NP 305, or Crop Production program, is designed to increase efficiency, productivity, quality, marketability and protection of floral and nursery crops, while maintaining or enhancing worker safety and environmental quality.

The USDA Crop Production Program builds on other ARS research programs and collaborates with universities and industries to develop improved varieties and determine methods to shield them from diseases and pests. It also develops ways to bring those crops to the field and produce increased yields with reduced need of fertilizers, pesticides and herbicides.

IRS Imposing Fines Over Health Coverage

The Internal Revenue Service (IRS) has notified more than 30,000 businesses throughout the country they're being penalized for not complying with the employer mandate in the Affordable Care Act (ACA). Non-compliance can range from intentionally not offering health insurance to eligible employees to minor mistakes in paperwork.

The ACA includes a requirement that companies that employ 50 or more full-time equivalent employees offer health insurance to their employees or pay a penalty. That provision is referred to as the "employer mandate." The Congressional Budget Office predicted that these fines would total \$12 billion in 2018.

The employer mandate was initially supposed to go into effect in 2014; however, the Obama Administration delayed the implementation for one year to give the government time to determine how to impose the mandate.

In January of 2017, President Trump issued an executive order that required the federal government to enforce the employer mandate as much as legally possible.

In December of 2017, the U.S. Treasury Department issued a statement noting that "Treasury lawyers see no

ground for the Secretary [of Treasury] to direct the IRS to not collect the tax” required by the Affordable Care Act’s “employer mandate.” The ACA also included a provision referred to as the “individual mandate,” which required individuals to purchase health insurance.

Also, in December of 2017, the individual mandate was repealed as part of the tax reform bill. Although that action had no effect on the employer mandate, which remained in force, many erroneously believed that all mandates under the ACA, or the ACA in its entirety, had been repealed. **GT**

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