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HOUSE BILL 2460

State of Washington 61st Legislature 2010 Regular Session

By Representatives Smith, Nelson, Liias, Van De Wege, Blake, Bailey, Upthegrove, Kenney, and Moeller; by request of Department of Agriculture

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AN ACT Relating to organic products; amending RCW 15.86.010, 15.86.020, 15.86.030, 15.86.060, 15.86.065, 15.86.070, and 15.86.090; and adding new sections to chapter 15.86 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 Sec. 1. RCW 15.86.010 and 2002 c 220 s 1 are each amended to read 6 as follows:

The legislature recognizes a public benefit in:

8 (1) Establishing standards governing the labeling and advertising 9 of ((food)) <u>agricultural</u> products and agricultural commodities as 10 <u>transitionally or</u> organically produced;

(2) Providing certification under the federal organic food production act of 1990, 7 U.S.C. Sec. 6501 et seq., and the rules adopted thereunder for agricultural products marketed and labeled using the term "organic" or a derivative of the term "organic;"

(3) Providing access for Washington producers, processors, and handlers to domestic and international markets for organic ((food)) products; ((and))

18 (4) Establishing a state organic program <u>or obtaining federal</u>

<u>accreditation as a certifying agent</u> under the federal organic food production act of 1990, 7 U.S.C. Sec. 6501 et seq., and the rules adopted thereunder<u>; and</u>

4 (5) Establishing a brand name materials list for registration of
5 inputs that are in compliance with 7 C.F.R. Part 205, the national
6 organic standards or international or additional organic standards.

7 Sec. 2. RCW 15.86.020 and 2002 c 220 s 2 are each amended to read 8 as follows:

9 ((Unless the context clearly requires otherwise,)) The definitions
10 in this section apply throughout this chapter <u>unless the context</u>
11 <u>clearly requires otherwise</u>.

12 (1) "Director" means the director of the department of agriculture13 or the director's designee.

14 (2) "Organic ((food)) product" means any agricultural product, in 15 whole or in part, including meat, dairy, and beverage, that is marketed 16 using the term organic or any derivative of organic and that is 17 produced, handled, and processed in accordance with this chapter.

18 (3) "Producer" means any person or organization who or which grows,19 raises, or produces an agricultural product.

(4) "Handler" means any person who sells, distributes, or packsorganic or transitional products.

(5) "Transitional ((food)) product" means any ((food)) agricultural product that satisfies all of the requirements of organic ((food)) products except ((the time requirements as defined in rule)) that it has had no prohibited substances applied to it for a period of one year immediately preceding harvest of the crop.

(6) "Organic certifying agent" means any third-party certification
 organization that is recognized by the director as being one which
 imposes, for certification, standards consistent with this chapter.

(7) "Processor" means any person engaged in the canning, freezing,
 drying, dehydrating, cooking, pressing, powdering, packaging, baking,
 heating, mixing, grinding, churning, separating, extracting, cutting,
 fermenting, eviscerating, preserving, jarring, or otherwise processing
 organic ((food)) products.

(8) "Person" means any natural person, firm, partnership, exchange,
 association, trustee, receiver, corporation, and any member, officer,
 or employee thereof or assignee for the benefit of creditors.

1 (9) "Department" means the state department of agriculture.

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(10) "Represent" means to hold out as or to advertise.

3 (11) "Sale" means selling, offering for sale, holding for sale,
4 preparing for sale, trading, bartering, offering a gift as an
5 inducement for sale of, and advertising for sale in any media.

6 (12) "Material" means any substance or mixture of substances that
 7 is intended to be used in agricultural production, processing, or
 8 handling.

9 <u>(13) "Fertilizer" means a single or blended substance containing</u> 10 <u>one or more recognized plant nutrient or nutrients that is used</u> 11 <u>primarily for its plant nutrient content and that is designed for use</u> 12 <u>or claimed to have value in promoting plant growth.</u>

13 (14) "Label" means a display of written, printed, or graphic 14 material on the immediate container of an agricultural product or any 15 such material affixed to any agricultural product or affixed to a bulk 16 container containing an agricultural product, except for package liners 17 or a display of written, printed, or graphic material that contains 18 only information about the weight of the product.

19 (15) "Labeling" includes all written, printed, or graphic material 20 accompanying an agricultural product at any time or written, printed, 21 or graphic material about the agricultural product displayed at retail 22 stores about the product.

23 (16) "National organic program" means the United States department 24 of agriculture national organic program established under the federal 25 organic food production act of 1990 (7 U.S.C. Sec. 6501 et seq.), and 26 the rules adopted thereunder at 7 C.F.R. Part 205, the national organic 27 standards.

28 (17) "Registrant" means the person registering a material on the
 29 brand name materials list under the provisions of this chapter.

30 <u>(18) "Certification" or "certified" means a determination</u> 31 <u>documented by a certificate of organic operation made by a certifying</u> 32 <u>agent that a production or handling operation is in compliance with the</u> 33 <u>national organic program or is in compliance with international</u> 34 <u>standards.</u>

35 (19) "Compost" means the product of a managed process through which 36 microorganisms break down plant and animal materials into more 37 available forms suitable for application to the soil. (20) "Crop production aid" means any substance, material,
 structure, or device that is used to aid a producer of an agricultural
 product except for fertilizers and pesticides.

4 (21) "Livestock production aid" means any substance, material,
5 structure, or device that is used to aid a producer in the production
6 of livestock such as parasiticides, medicines, and feed additives.

7 (22) "Organic waste-derived material" means grass clippings, 8 leaves, weeds, bark, plantings, prunings, and other vegetative wastes, 9 uncontaminated wood waste from logging and milling operations, food 10 wastes, food processing wastes, and materials derived from these wastes 11 through composting. "Organic waste-derived material" does not include 12 products that contain biosolids as defined in chapter 70.95 RCW.

13 (23) "Soil amendment" means any substance that is intended to 14 improve the physical characteristics of the soil, except for 15 fertilizers and pesticides.

(24) "Spray adjuvant" means any product intended to be used with a 16 pesticide as an aid to the application or to the effect of the 17 pesticide and that is in a package or container separate from the 18 pesticide. "Spray adjuvant" includes, but is not limited to, wetting 19 20 agents, spreading agents, deposit builders, adhesives, emulsifying agents, deflocculating agents, and water modifiers or similar agent 21 with or without toxic properties of its own intended to be used with 22 any other pesticide as an aid to its application or to its effect. 23 24 "Spray adjuvant" does not include products that are only intended to mark the location where a pesticide is applied. 25

(25) "Pesticide" means, but is not limited to:

27 (a) Any substance or mixture of substances intended to prevent, 28 destroy, control, repel, or mitigate any insect, rodent, nematode, 29 mollusk, fungus, weed, and any other form of plant or animal life or 30 virus, except a virus on or in a living human being or other animal, 31 which is normally considered to be a pest or which the director may 32 declare to be a pest; 33 (b) Any substance or mixture of substances intended to be used as

34 <u>a plant regulator, defoliant, or desiccant;</u>

35 (c) Any substance or mixture of substances intended to be used as
36 <u>a spray adjuvant; and</u>

37 (d) Any other substances intended for such use as may be named by
 38 the director by rule.

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1 (26) "Post-harvest material" means any substance, material, 2 structure, or device that is used in the post-harvest handling of 3 agricultural products.

4 (27) "Processing aid" means a substance that is added to a food:

5 (a) During the processing of the food but is removed in some manner
6 from the food before it is packaged in its finished form;

7 (b) During processing, is converted into constituents normally 8 present in the food, and does not significantly increase the amount of 9 the constituents naturally found in the food; and

10 (c) For its technical or functional effect in the processing but is 11 present in the finished food at insignificant levels and does not have 12 any technical or functional effect in that food.

13 (28) "Manufacturer" means a person that compounds, produces, 14 granulates, mixes, blends, repackages, or otherwise alters the 15 composition of materials.

16 **Sec. 3.** RCW 15.86.030 and 2002 c 220 s 3 are each amended to read 17 as follows:

(1) To be labeled, sold, or represented as an organic ((food))18 19 product, a product shall be produced under standards established under 20 ((RCW 15.86.060)) this chapter or the rules adopted under this chapter. 21 A producer, processor, or handler shall not represent, sell, or offer 22 for sale any ((food)) agricultural product with the representation that 23 the product is ((an)) organic ((food)) if the producer, processor, or 24 handler knows, or has reason to know, that the ((food)) product has not 25 been produced, processed, or handled in accordance with standards 26 established under ((RCW 15.86.060)) this chapter or the rules adopted 27 under this chapter.

28 (2) The department may conduct compliance checks in retail 29 establishments to evaluate compliance with organic labeling and 30 advertising requirements of this chapter and the rules adopted under 31 this chapter and the national organic program and regulations adopted 32 thereunder.

33 **Sec. 4.** RCW 15.86.060 and 2002 c 220 s 4 are each amended to read 34 as follows:

(1) The director shall adopt rules, in conformity with chapter
 34.05 RCW, as the director believes are appropriate for the adoption of

1 the national organic program under the federal organic food production 2 act of 1990((-)) (7 U.S.C. Sec. 6501 et seq.), and the rules adopted 3 thereunder and for the proper administration of this chapter.

4 (2) The director shall issue orders to producers, processors, or 5 handlers whom ((he or she)) the director finds are violating ((any provision of this chapter, or rules or regulations adopted under this б chapter,)) RCW 15.86.030 or 15.86.090 to cease their violations and 7 desist from future violations. Whenever the director finds that a 8 producer, processor, or handler has committed a violation, the director 9 10 shall impose on and collect from the violator a civil fine not exceeding the total of the following amounts: (a) The state's 11 12 estimated costs of investigating and taking appropriate administrative 13 and enforcement actions in respect to the violation; and (b) one 14 thousand dollars.

15 (((3) The director may deny, suspend, or revoke a certification 16 provided for in this chapter if he or she determines that an applicant 17 or certified person has violated this chapter or rules adopted under 18 it.))

19 Sec. 5. RCW 15.86.065 and 2002 c 220 s 7 are each amended to read 20 as follows:

21 The department is authorized to take such actions, conduct proceedings, and enter orders as permitted or contemplated for a state 22 23 organic program or certifying agent under the federal organic food 24 production act of 1990((-)) (7 U.S.C. Sec. 6501 et seq.), and the rules 25 adopted thereunder. The director may deny, suspend, or revoke a 26 certification provided for in this chapter if the director determines that an applicant or certified person has violated this chapter or 27 rules adopted under this chapter. The ((state organic)) program shall 28 29 not be inconsistent with the requirements of 7 U.S.C. Sec. 6501 et seq. and the rules adopted thereunder, including 7 C.F.R. Sec. 205.668. 30 The 31 department shall adopt rules necessary to implement this section.

32 Sec. 6. RCW 15.86.070 and 2002 c 220 s 5 are each amended to read 33 as follows:

(1) The director may adopt rules establishing a program for
 certifying producers, processors, and handlers as meeting state,
 national, or international standards for organic or transitional

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The rules may govern, but are not limited to 1 ((food)) products. 2 governing: The number and scheduling of on-site visits, both announced 3 unannounced, by certification personnel; recordkeeping and 4 requirements; and the submission of product samples for chemical analysis. The rules shall include a fee schedule that will provide for 5 6 the recovery of the full cost of the ((organic food)) program.

7 (2) All <u>f</u>ees collected under this ((section)) <u>chapter</u> shall be 8 deposited in an account within the agricultural local fund and the 9 revenue from such fees shall be used solely for carrying out the 10 provisions of this ((section)) <u>chapter</u>, and no appropriation is 11 required for disbursement from the fund. The director may employ such 12 personnel as are necessary to carry out the provisions of this 13 ((section)) <u>chapter</u>.

14 (((2) The fees established under this section may be increased in 15 excess of the fiscal growth factor as provided in RCW 43.135.055 for 16 the fiscal year ending June 30, 2003.))

17 Sec. 7. RCW 15.86.090 and 2002 c 220 s 6 are each amended to read 18 as follows:

(1) It is unlawful for any person to sell, offer for sale, or process any agricultural product within this state with an organic label unless that person is certified under this chapter by the department or a recognized organic certifying agent.

23 (2) Subsection (1) of this section shall not apply to:

(a) Final retailers of organic ((food)) products that do not
 process organic ((food)) products; or

(b) Producers who sell no more than five thousand dollars annuallyin value of agricultural products directly to consumers.

28 <u>NEW SECTION.</u> Sec. 8. A new section is added to chapter 15.86 RCW 29 to read as follows:

(1) To be labeled, sold, or represented as a transitional product, a product must be produced under standards established under this chapter or the rules adopted under this chapter except that no prohibited substances as specified under the national organic program are applied to it within one year immediately preceding harvest of the crop. A producer, processor, or handler may not represent, sell, or offer for sale any agricultural product with the representation that

the product is transitional if the producer, processor, or handler knows or has reason to know that the product has not been produced, processed, or handled in accordance with standards established under this chapter or the rules adopted under this chapter for transitional products.

6 (2)(a) The department is authorized to set and collect fees related 7 to transitional certification, including application for transitional 8 certification, renewal of transitional certification, inspections, and Fees collected under this section must be deposited in an 9 sampling. 10 account within the agricultural local fund and the revenue from the fees must be used solely for carrying out the provisions of this 11 12 section, and no appropriation is required for disbursement from the 13 fund. The department may by rule increase the initial fees established 14 in this section as necessary to cover costs of provision of services.

(b) The fee for application for transitional certification is fifty dollars per site in addition to any organic certification application fees established under this chapter.

18 (3) The department may conduct compliance checks in retail 19 establishments to evaluate compliance with transitional labeling and 20 advertising requirements of this chapter and the rules adopted under 21 this chapter and the national organic program.

22 <u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 15.86 RCW 23 to read as follows:

(1) The department may establish a brand name materials list. The 24 25 brand name materials list is a list of registered materials that are 26 approved for use in organic production, processing, or handling in accordance with 7 C.F.R. Part 205, national organic standards, or 27 international standards. Registration of a material on the brand name 28 29 materials list is voluntary. While registration under this section is not required for a material to be used or sold in this state, 30 31 registration is necessary for a material to appear on the brand name 32 materials list.

33 (2)(a) Manufacturers of materials may submit an application to the 34 department for registration of a material on the brand name materials 35 list. Applications for registration on the brand name materials list 36 must be made on a form designated by the department. The application 37 must include:

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- (i) The name and address of the manufacturer;

2 (ii) The name and address of the manufacturer's representative3 making the representations in the application;

4 (iii) The brand name that the material is sold under;

5 (iv) A copy of the labeling accompanying the material and a 6 statement of all claims to be made for it, including the directions and 7 precautions for use;

8 (v) The complete formula of the material including the active and 9 inert ingredients;

10 (vi) A description of the manufacturing process including all 11 materials used for the extraction and synthesis of the material, if 12 appropriate;

13 (vii) The intended uses of the product;

14 (viii) The source or supplier of all ingredients;

15 (ix) The required fee for registration or renewal; and

16 (x) Any additional information required by rule.

(b) If any change to the information provided in an application occurs at any time after an application is submitted, the registrant must immediately submit the changed information to the department for review. Failure by the registrant to provide notice of change of information provided in the application may result in suspension or revocation of the registration.

(c) By submitting an application for registration on the brand name materials list, the applicant expressly consents to jurisdiction of the state of Washington in all matters related to the registration. Applications for registration for the brand name materials list are governed by the administrative procedure act, chapter 34.05 RCW.

(3)(a) By applying for registration on the brand name materials 28 29 list, the registrant expressly grants to the department or other 30 organic certifying agent or inspection agent approved by the national organic program the right to enter the registrant's premises during 31 normal business hours or at other reasonable times to: (i) Inspect the 32 portion of the premises where the material, inputs, or ingredients are 33 stored, produced, manufactured, packaged, or labeled; (ii) inspect 34 35 records related to the sales, storage, production, manufacture, 36 packaging, or labeling of the material, inputs, or ingredients; and 37 (iii) obtain samples of materials, inputs, and ingredients. Should the registrant refuse to allow the inspection of the premises or records or 38

fail to provide samples, the registration on the brand name materials list is cancelled. The department shall deny applications for registration where the registrant refuses to allow the inspection of the premises or records as provided in this subsection or fails to provide samples as provided in this subsection.

6 (b) Required inspections may be conducted by department personnel, 7 by an organic certifying agent, or by another inspection agent approved 8 by the national organic program. The department may establish by rule 9 the evaluation criteria for the review of inspection reports conducted 10 by an organic certifying agent or inspection agent approved by the 11 national organic program.

(4) The director may adopt rules necessary to implement the brand name materials list. The rules may address, but are not limited to: (a) Fees related to registration; (b) the number and scheduling of inspections, both announced and unannounced; (c) recordkeeping requirements; (d) additional application requirements; (e) labeling of registered materials; and (f) the chemical analysis of material samples.

19 (5) The department may establish a brand name materials list to 20 register materials approved for use under the following standards:

(a) The national organic program. A material that meets the requirements of 7 C.F.R. Part 205, national organic standards, may be registered; or

24 (b) The international or additional organic standards. The 25 director may review materials registered on the brand name materials 26 list as approved for use under the national organic program for 27 compliance with specific international or additional organic standards as designated by rule. A registered material that complies with a 28 29 specific international or additional organic standard may also be 30 registered as approved under that standard.

(6) Registration of a material on the brand name materials list under this chapter does not guarantee acceptance for use in organic production or processing by organic certifying agents other than the department. The department is not liable for any losses or damage that occurs as a result of use of a material registered on the brand name materials list.

37 (7)(a) The director may deny, suspend, or revoke a registration on38 the brand name materials list provided for in this chapter if the

1 director determines that a registrant has failed to meet the 2 registration criteria established in this chapter or rules adopted 3 under it or violated any other provision of this chapter or rules 4 adopted under it.

5 (b) Failure to consent to inspections or sampling constitutes 6 grounds for removal from the brand name materials list.

7 <u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 15.86 RCW 8 to read as follows:

9 (1) The department is authorized to set and collect fees for application for registration, renewal of registration, inspections, and 10 11 sampling for the brand name materials list. Fees collected under this 12 section shall be deposited in an account within the agricultural local fund and the revenue from such fees shall be used solely for carrying 13 out the provisions of this section, and no appropriation is required 14 for disbursement from the fund. The department may increase by rule 15 the initial fees established in this section as necessary to cover 16 costs of provision of services. 17

(2)(a) The application fee for initial registration of a pesticide,
 spray adjuvant, processing aid, livestock production aid, or post harvest material is five hundred dollars per material.

(b) The application fee for initial registration of a fertilizer,
soil amendment, organic waste-derived material, compost, animal manure,
or crop production aid is four hundred dollars per material.

(3)(a)(i) The application fee for renewing a registration for a
 pesticide, spray adjuvant, processing aid, livestock production aid, or
 post-harvest material is three hundred dollars per material.

(ii) The application fee for renewing a registration for a fertilizer, soil amendment, organic waste-derived material, compost, animal manure, or crop production aid is two hundred dollars per material.

31 (b) Renewal applications postmarked after October 31st must include 32 a late fee in addition to the renewal fee. Late fees must be assessed 33 as follows:

34 (i) Applications postmarked after October 31st, a late fee of one35 hundred dollars per material.

36 (ii) Applications postmarked after November 30th, a late fee of two 37 hundred dollars per material. (iii) Applications postmarked after December 31st, a late fee of
 three hundred dollars per material.

3 (c) Renewal applications received after February 2nd will not be
4 accepted and are required to reapply as a new applicant.

5 (4) Inspections must be billed at forty dollars per hour plus 6 travel costs and mileage, which is charged at the rate established by 7 the office of financial management.

8 (5) Samples, if required for registration, or requested by the 9 applicant, will be charged to the applicant at a rate established by 10 the laboratory services division of the department of agriculture or at 11 cost for analyses performed by another laboratory. If an additional 12 visit must be arranged, then the visit must be billed at forty dollars 13 per hour plus travel costs and mileage, which is charged at the rate 14 established by the office of financial management.

(6) Requests for expedited reviews may be submitted and, ifapproved, are billed at a rate of forty dollars per hour.

(7) The department may assess compliance with an international or additional organic standard for materials registered on the brand name materials list as approved for use under the national organic program. Requests for additional assessments of materials approved under the national organic program are billed at a rate of one hundred dollars per product for each standard.

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