

HOUSE BILL REPORT

HB 2354

As Reported by House Committee On:

Agriculture & Natural Resources

Appropriations Subcommittee on General Government & Information Technology

Title: An act relating to extending the dairy inspection program assessment expiration date.

Brief Description: Extending the dairy inspection program assessment expiration date.

Sponsors: Representatives Buys and Blake; by request of Department of Agriculture.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/21/14, 1/28/14 [DP];

Appropriations Subcommittee on General Government & Information Technology:
2/6/14 [DP].

Brief Summary of Bill

- The expiration date for the dairy inspection program assessment is extended from June 30, 2015, to June 30, 2020.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass. Signed by 14 members: Representatives Blake, Chair; Lytton, Vice Chair; Buys, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Dunshee, Haigh, Hurst, Kretz, Orcutt, Pettigrew, Schmick, Stanford, Van De Wege and Warnick.

Staff: Megan Mulvihill (786-7291) and Jason Callahan (786-7117).

Background:

"Grade A" Interstate Pasteurized Milk Ordinance.

The assessment levied on milk processors supports an inspection program to maintain compliance with the "Grade A" Interstate Pasteurized Milk Ordinance (PMO) published by the United States Public Health Service, the Department of Health and Human Services, and

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the Food and Drug Administration. The PMO is the national standard for milk sanitation, and it requires milk processing plants to be inspected at least once every three months. Complying with the PMO allows milk to move without restriction in interstate commerce.

Milk Processing Assessment.

Assessments are levied on the first milk processing plant that receives milk for processing. The assessment is paid to a dairy inspection account under the Agricultural Local Fund, and the funds are used for dairy inspection services under the Washington Department of Agriculture's food safety program. The assessment is 53.5 hundredths of 1 cent per hundredweight.

Summary of Bill:

The expiration date for the dairy inspection program assessment is extended from June 30, 2015, to June 30, 2020.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Dairy processors are not able to sell their products out of state without meeting national standards. Originally, a sunset date was added to the program to make sure it was performing at the function intended rather than too high or too low. The dairy community has asked for this extension to continue current standards. This bill simply extends current practices and keeps dairy commerce flowing. This has been a good assessment for the last 15 years, and the inspections allow processors to do what they do best.

(Opposed) None.

Persons Testifying: Representative Buys, prime sponsor; Mark Streuli, Washington State Department of Agriculture; and Ben Buchholz, Darigold and the Northwest Dairy Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT & INFORMATION TECHNOLOGY

Majority Report: Do pass. Signed by 7 members: Representatives Hudgins, Chair; Parker, Ranking Minority Member; Buys, Dunshee, S. Hunt, Jinkins and Springer.

Minority Report: Do not pass. Signed by 2 members: Representatives Christian and Taylor.

Staff: Dan Jones (786-7118).

Summary of Recommendation of Committee On Appropriations Subcommittee on General Government & Information Technology Compared to Recommendation of Committee On Agriculture & Natural Resources:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This legislation continues a program and a funding source that is needed. It is essential to retain the balance of public-private partnership in supporting the food-safety program, and more specifically, the dairy program. There is a commercial benefit of being able to be in compliance with the Pasteurized Milk Ordinance, which is a federal document that allows dairies to ship milk anywhere in the United States and virtually anywhere in the world. Darigold supports this and the amounts reflected in the fiscal note are nearly all related to Darigold. This is because of Darigold's size in Washington. If House Bill 2748 is passed, this bill would not be needed. However, it is important to ensure there is a vehicle to address this funding and keep it moving forward in the process. This legislation enables the industry to allow the milk to continue to flow, not just in Washington, but around the world.

(Opposed) None.

Persons Testifying: Representative Buys, prime sponsor; Dan Coyne, Darigold; and Mark Streuli, Washington State Department of Agriculture.

Persons Signed In To Testify But Not Testifying: None.