

FINAL BILL REPORT

SHB 1671

C 109 L 95
Synopsis as Enacted

Brief Description: Revising commodity commission assessment authority.

Sponsors: House Committee on Agriculture & Ecology (originally sponsored by Representatives Clements, Chandler, Grant and Mastin).

House Committee on Agriculture & Ecology
House Committee on Finance
Senate Committee on Agriculture & Agricultural Trade & Development

Background:

Tree Fruit Research Commission. The Tree Fruit Research Commission was created by statute to carry out research regarding tree fruit and to administer industry-specific service programs. The activities of the commission are funded by assessments on tree fruit commercially produced in the state. To take effect, the initial assessment authorized by statute had to be approved by a referendum submitted to the commercial producers of tree fruit. Similarly, any increases in the assessment must be approved by a referendum submitted to the producers. The current assessment rate for cherries is \$2 per ton. State law permits the producers to establish, by referendum, an additional assessment for programs such as sanitation programs and those assisting the reregistration of pesticides for use on minor crops.

Commodity Boards & Commissions - In General. Some agricultural commodity commissions, such as the Tree Fruit Research Commission, Apple Advertising Commission, Beef Commission, and Dairy Products Commission, have been created by statute. The state's Agricultural Enabling Acts of 1955 and 1961 provide procedures under which the producers of agricultural commodities may prepare marketing agreements and orders to create, by referenda, agricultural commodity boards and commissions for the commodities without further statutory authority.

The Agricultural Enabling Act of 1961 requires a marketing order adopted under the act creating a commodity board to specify the assessment as part of the marketing order. The order may be amended only by a referendum approved by affected producers or producers and handlers or by the written agreement by the affected parties. The Hop Commodity Board and the Mint Commodity Board were created under the authority of the 1961 act.

Hops & Mint. Through 1995, the annual assessment on all varieties of hops is \$2.50 per unit. Beginning in 1996, the assessment is \$1.25 per unit. The assessed unit for hops is 200 pounds or the lupulin, extract, or oil from 200 pounds. The current annual assessment for mint oil is three and one-half cents per pound as weighed by the first purchaser.

Initiative 601. Initiative 601 was approved by the voters at the November 1993 general election. Section 8 of the initiative states that no fee may increase in any fiscal year by a percentage in excess of the fiscal growth factor for that fiscal year without prior legislative approval. The fiscal growth factor for a fiscal year is the average of the sum of inflation and population change for each of the prior three fiscal years.

Summary: The Tree Fruit Research Commission is authorized to increase the assessment on cherries in excess of the fiscal growth factor to \$4 per ton. It may also, with regard to any additional assessment placed on all tree fruits, establish an additional assessment of not more than 8 cents per ton.

The Hop Commodity Board is authorized to raise the rate of annual assessment in excess of the fiscal growth factor from \$2.50 per unit to \$3 per unit. The Mint Commodity Board may increase its annual assessment in excess of the fiscal growth factor from three and a half cents per unit to five cents per unit. These assessments may be raised only by using the procedures established in the Agricultural Enabling Act of 1961. These assessment limits apply only to a commodity board's authority to raise assessments in excess of the fiscal growth factor.

Votes on Final Passage:

House	96	0
Senate	42	0

Effective: July 1, 1995