

# SENATE BILL REPORT

## ESB 5691

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As Passed Senate, March 7, 1995

**Title:** An act relating to agricultural commodity commissions.

**Brief Description:** Authorizing certain commodity commissions to raise assessments in excess of the fiscal growth factor.

**Sponsors:** Senators Rasmussen, Newhouse, Loveland, Sellar and Hochstatter.

**Brief History:**

**Committee Activity:** Agriculture & Agricultural Trade & Development: 2/9/95 [DPA]. Passed Senate, 3/7/95, 49-0.

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### SENATE COMMITTEE ON AGRICULTURE & AGRICULTURAL TRADE & DEVELOPMENT

**Majority Report:** Do pass as amended.

Signed by Senators Rasmussen, Chair; Loveland, Vice Chair; Bauer, Morton, Newhouse and Snyder.

**Staff:** Bob Lee (786-7404)

**Background:** Commodity commissions are formed under authority established in state law. Commodity commissions fund several types of programs that benefit the producers of that commodity such as market promotion and research. Commodity commissions are controlled by board members that are themselves producers and who are elected by producers of that commodity. Commissions may increase assessments to fund commission activities with approval of the growers by referendum. To approve an assessment increase, the referendum must be approved by: (1) at least 65 percent of the growers that represent at least 51 percent by volume of production; or (2) at least 51 percent of growers that represent 65 percent of the volume of production.

The Tree Fruit Research Commission is established under a separate statute which provides authority to establish an additional assessment, after referendum approval by producers, for sanitation and for reregistration of plant protection products.

The Tree Fruit Research Commission maintains an industry services fund with a balance of about \$100,000 and may collect additional assessments to maintain this fund balance.

In 1993, voters approved Initiative 601 that requires state agencies to receive prior legislative approval of any fee increase that exceeds the fiscal growth factor. Commodity commissions are included in the broad definition of state agency.

**Summary of Bill:** The Washington Hop Commission is authorized to increase the assessment on hops from the current \$2.50 to \$3.00 per bale. The Mint Commission is

authorized to increase the assessment on mint from the current rate of three and one-half cents to five cents per pound.

The Tree Fruit Research Commission is authorized to increase the assessment on cherries to \$4.00 per ton. The Tree Fruit Research Commission may increase the assessment on all tree fruits to eight cents per ton for the industries services fund.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 1995.

**Testimony For:** Though there are adequate safeguards in statute to assure grower approval prior to an increase in assessment, changes are necessary to allow the commission to increase assessments. Assessment increases are needed to provide services that growers expect from commodity commissions.

**Testimony Against:** None.

**Testified:** PRO: Frank DeLong, Randy Smith, Grant Daniel, WA State Hort. Assoc.; Gary Christensen, WA Mint Growers; Kevin Bouchey, WA State Potato Commission; Bernard Camache, Leslie Roy, Pat Boss, Sean McGree, Hop Growers of WA.