

HOUSE BILL REPORT

HB 2052

As Reported By House Committee On:

Agriculture & Ecology

Title: An act relating to agricultural commodity commissions and boards.

Brief Description: Allowing referendums on the assessments of agricultural commodity commissions and boards.

Sponsors: Representatives Chandler, Clements and Honeyford.

Brief History:

Committee Activity:

Agriculture & Ecology: 2/24/97, 2/27/97 [DP].

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: Do pass. Signed by 11 members: Representatives Chandler, Chairman; Parlette, Vice Chairman; Schoesler, Vice Chairman; Linville, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Cooper; Delvin; Koster; Mastin; Regala and Sump.

Staff: Kenneth Hirst (786-7105).

Background: Commodity Boards & Commissions. Some agricultural commodity commissions, such as the Fruit Commission, Tree Fruit Research Commission, Apple Advertising Commission, Beef Commission, and Dairy Products Commission, have been created directly by statute. Some of these statutes, such as those for the Apple Advertising, Tree Fruit Research, and Dairy Products Commissions, require increases in assessments to be approved by a referendum of the growers who are subject to the assessment.

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 acts require a marketing order adopted under either of them 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 of the affected parties.

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 the 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 of Bill: Initiative 601's prohibition against fees being increased in a fiscal year in excess of the fiscal growth factor for the fiscal year does not apply to referendum-approved assessments of an agricultural commodity commission or board. This exemption applies to commodity commissions or boards created directly by statute and to those created under the Agricultural Enabling Acts of 1955 and 1961, as long as the assessment is approved by referendum in accordance with the statutes governing the commission or board.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: (1) Five of the eight people who filed Initiative 601 with the secretary of state were farmers. None thought that the initiative would apply to growers' assessing themselves through commodity commissions. (2) The people who pay commodity assessments have more direct control over increases in these assessments than those who pay fees that the Legislature may allow to increase; increases in commodity assessments must be approved by a direct vote of the people who pay them. (3) Commodity commissions try to respond quickly to new problems; requiring them to get legislative approval of assessment changes delays their actions by one year.

Testimony Against: None.

Testified: Jim Halstrom, Washington State Horticulture Association and Washington Apple Commission; Chris Cheney, Hop Growers of Washington and Washington Hop Commission; and Mike Schwisow, Washington State Potato Commission (in favor).