

HOUSE BILL REPORT

ESB 5514

As Reported By House Committee On:
Agriculture & Ecology

Title: An act relating to authorizing fees for commodity commissions and the department of agriculture.

Brief Description: Authorizing fees for commodity commissions and the department of agriculture.

Sponsors: Senators Morton, Rasmussen and Swecker; by request of Department of Agriculture.

Brief History:

Committee Activity:

Agriculture & Ecology: 3/20/97, 4/3/97 [DPA].

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: Do pass as amended. 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 by statute.

The Fruit Commission conducts activities with regard to cherries, apricots, prunes, plums, peaches, nectarines, and Bartlett pears. The statutes creating the commission provide means for growers to recommend increases in the commission's assessment on a particular fruit. Those for pears must be approved by a referendum by Bartlett pear growers before they may take effect.

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 Enabling Acts allow assessments to be amended only by a referendum approved by affected producers or producers and handlers or by the written agreement by 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 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.

Organic Certification. The Washington State Department of Agriculture (WSDA) may adopt a fee schedule for recovering the full costs of the WSDA for administering an organic food program. The fees are to be deposited in the Agricultural Local Fund and used solely for carrying out the certification program.

Grain Warehouses and Dealers. A person operating a grain warehouse or acting as a grain dealer must be licensed by the WSDA. This requirement does not apply to persons licensed for these activities by the federal government.

Public Records. The public records portion of the state's public disclosure laws prohibit a public agency from requiring a fee for the public's inspection of public records; nor may they charge a fee for locating public documents and making them available for copying. These laws permit the agencies to charge a reasonable fee for providing copies of a public record and establish rules for what constitutes a reasonable copying fee. The costs of shipping copies of public records, including postage or delivery costs, may be recovered. Public records include data compilations from which information may be obtained or translated.

Summary of Amended Bill: Commodity Commission Assessments. 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. An assessment levied by the Fruit Commission may be increased in excess of the fiscal growth factor if it is approved by referendum. The commission determines the method and procedure for conducting the referendum.

Organic Certification Fees. The director of the WSDA may increase, in excess of the fiscal growth factor for FY 1998, the fees for the organic certification program.

Grain Warehouse and Dealer Licensing Fees. The annual licensing fee for a grain warehouse license and the annual licensing fee for a grain dealer's license are each increased by \$150.

Fees for Publishing and Disseminating Information. The director of the WSDA may collect, for deposit in the Agricultural Local Fund, moneys to recover reasonable costs of publishing and disseminating information in printed or electronic format.

Amended Bill Compared to Engrossed Bill: The engrossed senate bill authorizes certain fee increases in excess of the fiscal growth factor for the Dry Pea and Lentil and Farmed Salmon Commodity boards, and the Fruit and Wheat commissions; these provisions are replaced by the striking amendment with the provisions waiving the requirement that the Legislature grant such authorizations for commodity commission or commodity board assessments that are approved by referendum. Added by the amendment are the provisions increasing fees for grain warehouse and grain dealer licenses.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause, and sections 1, 2, and 3 regarding commodity commission assessments take effect immediately. Sections 6 and 7 regarding grain warehouse and grain dealer licensing fees take effect July 1, 1998. The remaining provisions of the bill take effect 90 days after adjournment of session in which the bill is passed.

Testimony For: (1) The Idaho and Washington dry pea and lentil growers conduct their commodity board activities jointly. Assessment increases are needed in both states: the Idaho members have approved theirs, but the Washington members must await the passage of this bill to increase their assessments. (2) The federal government will no longer give the state \$100,000 for its part of a state/federal grain audit cooperative agreement. To compensate, the WSDA will cut audits from twice a year to once a year. But it will still need additional revenues to finance the audit program. (3) Salmon farmers support the authority for their board to increase assessments.

Testimony Against: None.

Testified: Tim McGreevy, USA Dry Pea & Lentil Council; Mary Beth Lang, Department of Agriculture; Dan Coyne, Washington State Council of Farmers Co-op; and John Woodring, Washington Fish Growers Association (in favor).