

# House Bill Analysis

## HB 2910

HOUSE AGRICULTURE AND ECOLOGY COMMITTEE

January 28, 2000

<p>- Requires payment for apples delivered or possessed for retail sale within 30 days of the delivery or of taking possession.</p>
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### **BACKGROUND:**

With certain exceptions, no person may act as a commission merchant, dealer, broker, or cash buyer or as the agent of any of them without being licensed under the state's commission merchant laws. A "commission merchant" is a person who receives an agricultural product on consignment for sale on commission on behalf of the consignor, or for processing and such a sale. It is also a person who accepts a farm product in trust from a consignor for the purpose of resale, or who sells on commission an agricultural product, or who in any way handles an agricultural product for a consignor. A "dealer" is a person other than a cash buyer who solicits, contracts for, or obtains title, possession, or control of any agricultural product from a consignor for reselling or processing. It is also a person who buys an agricultural product from a consignor for sale or processing, and includes a person who purchases livestock on behalf of and for the account of another, or who purchases cattle in another state or country and imports these cattle into this state for resale. A "broker" is a person other than a commission merchant, dealer, or cash buyer who negotiates the purchase or sale of an agricultural product, but does not handle the agricultural product or the proceeds of the sale. (RCW 20.01.010.)

Under these laws, a dealer must pay for agricultural products (other than livestock) delivered to the dealer at the time and in the manner specified in a contract with the producer of the products. However, if no time is set by such a contract or at the time of delivery, a dealer must pay within 30 days of the delivery or taking possession of the products. A dealer must pay for livestock delivered to the dealer at the time and in the manner specified in the contract. However if no time is set by the contract or at the time of delivery, a dealer must pay within seven days of the delivery or taking possession of the livestock. Where payment for livestock is made by mail, payment is timely if mailed within seven days of the date of sale. (RCW 20.01.390.)

### **SUMMARY:**

If apples are delivered or possessed for retail sale, a person must pay for the apples delivered to the person within 30 days of the delivery or taking possession of the apples. The payment must be for the full price of the apples and must be paid in cash or in the form of a cashier's check, certified check, or bank draft. If the payment is not made within the 30-day period, the amount due from the person is the purchase price plus interest at a rate of eight percent per annum compounded daily. These requirements may not be altered by contract.