

HOUSE BILL REPORT

SSB 6720

As Reported By House Committee On:

Agriculture & Ecology
Appropriations

Title: An act relating to the Washington state beef commission.

Brief Description: Modifying the Washington state beef commission.

Sponsors: Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Rasmussen, Stevens, Honeyford, Swecker, Loveland and Snyder).

Brief History:

Committee Activity:

Agriculture & Ecology: 2/17/00, 2/22/00 [DP];
Appropriations: 2/26/00 [DP].

Brief Summary of Substitute Bill

- Increases the Beef Commission's assessment to \$1 per head of cattle (rather than 50 cents per head) at the sale of the cattle and repeals exemptions from the assessment.
- Authorizes a change in the commission's non-voting membership.

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: Do pass. Signed by 12 members: Representatives G. Chandler, Republican Co-Chair; Linville, Democratic Co-Chair; Cooper, Democratic Vice Chair; Anderson; B. Chandler; Delvin; Fortunato; Grant; Schoesler; Stensen; Sump and Wood.

Minority Report: Without recommendation. Signed by 1 member: Representative Koster, Republican Vice Chair.

Staff: Kenneth Hirst (786-7105).

Background:

The Washington State Beef Commission has been created by statute. It is composed of two beef producers, two dairy-beef producers, two feeders, one livestock sales-yard operator, and one meat packer. A representative of the Department of Agriculture is a non-voting member of the commission.

A state assessment of 50 cents per head of Washington cattle is levied at the sale of the cattle for the commission. In addition, the commission may collect an additional assessment of 50 cents per head for cattle that are subject to assessment under a federal order for providing funds for a national beef promotion and assessment program. Exempted from assessment, unless subject to assessment under the federal order, are animals sold for milk production and sales where the assessment exceeds one percent of the sale price of the animal.

Article VIII, Section 5 of the state's Constitution prohibits the credit of the state from being given or loaned in the aid of any individual, association, company, or corporation. One of the exceptions to this prohibition is provided by Article VIII, Section 11 which allows the use of agricultural commodity assessments by a commodity commission for agricultural development or trade promotion and promotional hosting. Expenditures under this exception must be made as prescribed by the Legislature. By statute, the Legislature requires such expenditures of a commodity commission, including the Beef Commission, that are made for agricultural development or trade promotion and promotional hosting to be made pursuant to specific budget items approved by the commission at annual public hearings on the commission's budget.

Summary of Bill:

The state assessment for the Beef Commission is now \$1 per head of cattle (rather than 50 cents per head). Provisions are repealed that currently exempt from assessment animals sold for milk production and sales of animals where the assessment exceeds one percent of the sale price of the animal, unless the national program assesses such animals.

The assessments for sales made without brand inspections conducted by the Department of Agriculture are now due by the 15th day of the month following the month in which the transactions occurred. The department is no longer required to collect and remit assessments for sales that are accompanied by a brand inspection. Collections are to be made as prescribed in the federal order and the rules of the commission.

The voting members of the commission may now add one non-voting member to the commission and set the term for such an advisory member. Representation of the

Department of Agriculture on the commission without vote is no longer required; it is now optional. An annual report need no longer be presented at the commission's annual meeting.

The commission's programs for advertising, sales promotion, and marketing are no longer expressly prohibited by statute from referring to a particular brand or trademark.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: 1) This state has one of the best beef promotional programs in the nation. Knowing how the commission spends its money makes one realize what a good investment its assessments are. 2) Inflation is eating away at the purchasing power of the commission's current budget. 3) The Attorney General's office does not believe that Initiative 695 applies to the assessments of a commodity commission.

Testimony Against: None.

Testified: Steve Haley, Beef Commission; Michael Para; and Debbie Becker, Washington State Dairy Federation.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 28 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Alexander; Benson; Boldt; Clements; Cody; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; McMorris; Mulliken; Parlette; Regala; Rockefeller; Ruderman; Sump and Tokuda.

Staff: Olsen, Jeff (786-7157).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Agriculture & Ecology: No new changes were recommended.

Appropriation: None.

Fiscal Note: Available (original bill).

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

Testimony For: This is a self-help bill to promote beef consumption and keep the industry healthy and protect consumers. While there is a question regarding an I-695 impact to this bill, there is an Attorney General's opinion that indicates commodity commissions may be exempt from the voter approval requirement of I-695. Last fall there was an extensive education program with the Cattlemen's Association and the Dairy Federation before either organization agreed to endorse the increased assessment. The majority of the producers support the Beef Commission's programs and the increase in the assessment.

Testimony Against: None.

Testified: Karla Kay Fullerton, Washington Cattlemen's Association.