

# HOUSE BILL REPORT

## SHB 1892

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### As Amended by the Senate

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

**Brief Description:** Regulating agricultural commodity boards and commissions.

**Sponsors:** By House Committee on Agriculture & Ecology (originally sponsored by Representatives Linville and G. Chandler).

**Brief History:**

**Committee Activity:**

Agriculture & Ecology: 2/20/01, 2/23/01 [DPS].

**Floor Activity:**

Passed House: 3/12/01, 95-3.

Senate Amended.

Passed Senate: 4/4/01, 49-0.

### Brief Summary of Substitute Bill

- Expressly authorizes members of agricultural commodity boards and commissions to receive the compensation (up to \$35/day) allowed by law for members of Group Two boards and commissions and allows such a member to receive up to \$100/day when the member's duties require more than 100 hours of meeting time per year.
- Reduces the minimum age required for certain members of such a commission or board created by marketing order, specifies how those members and their employees may be reimbursed for travel costs, and expands the purposes for which such a commission or board may be created.
- Expands the authorized powers and duties of commodity commissions and boards including the authority to: retain private legal counsel in emergent situations; engage in fund-raising activities and create foundations for certain purposes; enter into contracts to carry out the purposes of the commission or board; and enter into agreements for certain research.

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HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives G. Chandler, Republican Co-Chair; Linville, Democratic Co-Chair; Cooper, Democratic Vice Chair; B. Chandler, Delvin, Dunshee, Grant, Hunt, Kirby, Quall, Roach, Schoesler and Sump.

**Staff:** Kenneth Hirst (786-7105).

**Background:**

Some agricultural commodity commissions have been created directly by statute. Examples of these types of commodity commissions are the Fruit Commission, the Tree Fruit Research Commission, the Apple Commission, the Beef Commission, and the Dairy Products Commission. 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 first commission created in this way was the Wheat Commission, which was established under the 1955 Enabling Act.

State general laws classify the wide range of state committees, commissions, and boards into groups and provide for the compensation of the members of those in each group. Commodity commissions and boards, whether created directly by statute or by marketing order, are a Class Two group. The general law allows members of these commissions and boards to receive compensation of up to \$35/day of official duty. Compensation may be paid to a member under the general law only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.

With certain limitations, the state's public disclosure laws allow any state or local agency to expend public funds for lobbying that is limited to (a) providing information or communicating on matters pertaining to official agency business to any elected official or officer or employee of an agency; or (b) advocating the official position or interests of the agency to any elected official or officer or employee of an agency.

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**Summary of Bill:**

Commissions and Boards Created by Statute or by Marketing Order.

Members of agricultural commodity commissions and boards are expressly authorized to receive up to the \$35/official duty day authorized by state general laws that classify the wide range of state committees, commissions, and boards into groups. That general law is also altered regarding the commodity commissions and boards. If the required service for such a member is in excess of 100 hours of meeting time per year, the member is eligible to receive compensation in an amount not to exceed \$100 per day during which

the member attends an official meeting of the commission or board or performs statutorily prescribed duties approved by the chair of the commission or board.

Commissions and Boards Created by Marketing Order, Purposes and Powers. The purposes for which commodity boards or commissions may be created under the Agricultural Enabling Act of 1955 or 1961 are expanded. They expressly include: communicating to an elected official or officer or employee of an agency on matters regarding the production, processing, marketing, or uses of an agricultural commodity produced in the state; providing marketing information and services for producers of a commodity and engaging in cooperative marketing efforts; providing information and services for meeting resource conservation objectives of producers of a commodity; and providing for commodity-related education and training.

Each commodity board or commission created under either the 1955 or 1961 Enabling Act has, in addition to the powers and duties provided in its marketing order, the authority or duty to:

- retain in emergent situations the services of private legal counsel to conduct legal actions on behalf of a commission or board. The retention is subject to review by the office of the Attorney General;
- accept and expend or retain gifts, bequests, contributions, or grants to carry out the purposes of the commission's or board's marketing order;
- engage in appropriate fund-raising activities to support activities of the commission or board authorized by the marketing order;
- participate in hearings, meetings, and other proceedings relating to the production, manufacture, regulation, distribution, sale, or use of affected commodities including lobbying activities authorized for public agencies under the state's public disclosure laws;
- enter into contracts or agreements for research in the production, processing, marketing, use, or distribution of an affected commodity;
- enter into contracts or interagency agreements to carry out the purposes of the commission's or board's marketing order; and
- work cooperatively with other agencies and with universities and national organizations for the purposes of the commission's or board's marketing order.

Commission and Board Members. Commission members and certain board members must now be over the age of 18 (rather than 25). Members of a commission created under the 1955 Act must now be citizens and residents of the state only if that status is required by the marketing order for the commission. Not less than two-thirds (rather than two-thirds) of the members of a commission created under the 1955 Act must be producers.

Board members and employees of a commodity commission or board may be reimbursed

for actual travel expenses incurred, as defined under the marketing order. If not defined or referenced in the marketing order, reimbursement is as provided by state law regarding the reimbursement of state employees for such expenses. Approval for such expenses is as defined in the marketing order.

Other. A commodity commission or board may establish foundations using commission funds as grant money when the foundation benefits the commodity for which the board was established. The funds of a commission or board may be used for the purposes authorized in its marketing order. Commissions created under the 1955 Act may now purchase (rather than just lease) office space and audits of them may now expressly be done by private auditors designated by the State Auditor.

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**EFFECT OF SENATE AMENDMENT(S):**

The amendments authorize members of agricultural commodity commissions and boards to receive up to \$100/day in compensation for each official duty day rather than up to \$35/day and up to \$100/day if the member's required service is in excess of 100 hours of meeting time per year. The amendments also clarify which qualifications of current law apply to producer members and which apply to handler members of a commodity board.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** (Original bill) The bill gives commissions and boards created under the enabling acts greater flexibility to deal with new issues. For example, products from this state have been blocked from entering Alberta and been subject to duties imposed by British Columbia. The Attorney General's office does not have a trade expert, but the commissions need the authority to react. The authority to create foundations would permit a commission to accept french fries donated by a processor for the commission's "food aid" effort, rather than force the donation to be made through others. Purchasing rather than leasing office space is sometimes more cost effective. Eighteen commodity boards and commissions have been created under the enabling acts. The Department of Agriculture has worked with the boards and commissions to update the enabling acts. Although that effort has not been completed, most of the provisions of this bill are the provisions that the boards and commissions have asked to be advanced now.

**Testimony Against:** None.

**Testified:** Mary Beth Lang, Department of Agriculture; and Pat Boss, Washington State Potato Commission.

