

SENATE BILL REPORT

SSB 5733

As Amended by House, April 9, 2015

Title: An act relating to livestock transaction reporting.

Brief Description: Concerning livestock transaction reporting.

Sponsors: Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Warnick, Hatfield and Hobbs; by request of Department of Agriculture).

Brief History:

Committee Activity: Agriculture, Water & Rural Economic Development: 2/12/15, 2/17/15 [DPS].

Passed Senate: 3/09/15, 48-1.

Passed House: 4/09/15, 90-7.

SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5733 be substituted therefor, and the substitute bill do pass.

Signed by Senators Warnick, Chair; Dassel, Vice Chair; Hatfield, Ranking Minority Member; Hobbs and Honeyford.

Staff: Diane Smith (786-7410)

Background: The Washington State Department of Agriculture (WSDA) has authority to adopt administrative rules concerning many matters involving the identification and movement of cattle, including dairy and beef cattle, and horses. Some of this rulemaking authority includes the following:

- designation of mandatory inspection points for cattle and horses or for furnishing proof that the cattle or horses have been inspected or identified and are being lawfully transported;
- issuance of individual horse and cattle identification certificates; and
- determination of what constitutes satisfactory proof of ownership.

Dairy cattle have a system enacted in 2013, of official individual identification tags, called green tags, that the producer places before the first point of sale on bull calves and free-

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martins – infertile female calves – under 30 days of age. WSDA's fees under this program, except for the beef commission assessment, must be deposited into the animal disease traceability account.

The Animal Disease Traceability (ADT) program was enacted in 2011. It authorizes WSDA to adopt rules that require the certificate of veterinarian inspection, health papers, permits, or other transportation documents to provide a physical address and a timeline as to when the animals will be transported directly to that address. Unless exempt by WSDA, it is unlawful to transfer an animal to a location other than the address designated on the transportation documents.

Fee authority allows WSDA to charge various amounts to be used to carry out animal disease traceability activities for cattle and to compensate data and fee collection costs. The fee must be paid by all cattle sellers in Washington, the owners of cattle slaughtered in the state, and, unless exempt by WSDA in rule, the owners of cattle exported alive from Washington. If a livestock inspection occurs, the fee must be collected in the same manner as livestock inspection fees. The fee for slaughtered cattle must be collected by the meat processor.

WSDA has authority under the ADT program to charge time and mileage for its inspection of animals and investigations of possible violations in order to cover its costs. The fee has an upper limitation of \$85 per hour plus mileage at the rate set by the Office of Financial Management.

There is currently a Washington Administrative Code section that requires all cattle to be inspected for brands or other proof of ownership at any point of private sale, trade, gifting, barter, or any other action that constitutes a change of ownership, except for individual private sales of unbranded female dairy breed cattle involving 15 head or less.

Summary of Substitute Bill: As an alternative to the mandatory inspection required for cattle, an optional electronic livestock transaction reporting system is established.

Use of the system requires a license. Application for the license is made to WSDA, which must include a fee as established by rule. Accurate records of all cattle transactions of the licensed property must be kept for three years and made available for inspection, upon request, during normal business hours.

Provisions are made for WSDA to enter a property at any reasonable time to examine and inspect cattle and records for purposes of movement verification. Sufficient grounds are stated for WSDA to deny, suspend, or revoke a license. If that occurs, the mandatory livestock inspection requirements apply.

Rulemaking authority is provided, including to set fees, as closely as practicable, to cover the cost of development, maintenance, fee collection, audit, and administrative oversight.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This is the next step in a process that has been ongoing for several years. This is specific to dairy cows. Experiencing an outbreak of a cattle disease with export consequences is motivation for an effective and accurate system to trace infected cattle, where they came from, and where they are. The ability to act quickly and specifically in the case of an outbreak limits economic strain and strengthens our food security network. The 15-head exemption for dairy cattle transfers does hamper traceability efforts. The amended House bill is a better version. This is a transfer of ownership bill, not a movement bill.

OTHER: There are perhaps some implementation ambiguities. The 15-head exemption is being removed by rule effective January 1, 2016, or when ADT is fully functional, whichever comes first. Allowing an electronic system for capturing what a field inspection captures would be a good step.

Persons Testifying: PRO: Senator Warnick, prime sponsor; Lynn Briscoe, WSDA; Dan Wood, WA State Dairy Federation.

OTHER: Jack Field, WA Cattlemen's Assn.

House Amendment(s):

1. Narrows the scope of the authorization for the electronic cattle transaction reporting system (system) so that the system may be used only to report transactions involving unbranded dairy cattle that are individually identified through an identification method authorized by the WSDA, rather than transactions involving all cattle;
2. Requires the holder of an electronic cattle transaction reporting license to transmit to the WSDA, within twenty-four hours of each qualifying transaction involving unbranded dairy cattle, a record of each transaction containing the unique identification of each individual animal included in the transaction as assigned through a WSDA-authorized identification method; and
3. Requires the WSDA to submit an annual report to the Legislature that documents the examinations and inspections of cattle and records belonging to holders of electronic cattle transaction reporting licenses that the department performed that year and to include details regarding any actions the WSDA took following the examinations and inspections.