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**ENGROSSED HOUSE BILL 2073**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Representatives Dent and Buys

AN ACT Relating to the beef commission; amending RCW 16.67.035, 16.67.090, 16.67.091, and 16.67.110; and adding a new section to chapter 16.67 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec.**  RCW 16.67.035 and 2011 c 103 s 34 are each amended to read as follows:

The legislature declares:

(1) That the history, economy, culture, and the future of Washington state's agriculture involves the beef industry. ((~~In order to develop and promote beef and beef products as part of an existing comprehensive scheme to regulate those products the legislature declares:~~

~~(1) That the Washington state beef commission is created;~~

~~(2) That it is vital to the continued economic well-being of the citizens of this state and their general welfare that its beef and beef products be properly promoted by (a) enabling the beef industry to help themselves in establishing orderly, fair, sound, efficient, and unhampered marketing, grading, and standardizing of beef and beef products they produce; and (b) working to stabilize the beef industry by increasing consumption of beef and beef products within the state, the nation, and internationally~~)) It is vital to the economy and to citizens' health that the beef industry continue to progress and thrive. The Washington state beef commission is part of an existing comprehensive system to regulate and promote beef and beef products.

(2) That the focus of the beef commission shall include the following responsibilities:

(a) The beef industry is to be promoted in a manner that showcases the varied aspects and segments of the industry;

(b) Research, education, and programs related to health and safety of beef are to be advanced in cooperation with the Washington state department of agriculture, Washington State University, other institutions of higher learning as appropriate, and other governmental or nongovernmental organizations doing research on trade or health issues;

(c) Support is to be provided to the beef industry in establishing orderly, fair, sound, efficient, and unhampered marketing, grading, and standardizing of beef and beef products; and

(d) Maintain efforts to increase consumption of beef and beef products within the state, the nation, and internationally;

(3) That beef producers operate within a regulatory environment that imposes burdens on them for the benefit of society and the citizens of the state and includes restrictions on marketing autonomy. Those restrictions may impair the beef producer's ability to compete in local, domestic, and foreign markets;

(4) That it is in the overriding public interest that support for the beef industry be clearly expressed, that adequate protection be given to agricultural commodities, uses, activities, and operations, and that beef and beef products be promoted individually, and as part of a comprehensive industry to:

(a) Enhance the reputation and image of Washington state's agriculture industry;

(b) Increase the sale and use of beef products in local, domestic, and foreign markets;

(c) Protect the public by educating the public in reference to ((~~the~~)) sustainable stewardship of cattle and the environment, quality, care, and methods used in the production of beef and beef products, and in reference to the various cuts and grades of beef and the uses to which each should be put;

(d) Increase the knowledge of the health-giving qualities and dietetic value of beef products; and

(e) Support and engage in programs or activities that benefit the care and well-being of the cattle, and the production, handling, processing, marketing, and uses of beef and beef products;

(5) That this chapter is enacted in the exercise of the police powers of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state; and

(6) That the beef industry is a highly regulated industry and that this chapter and the rules adopted under it are only one aspect of the regulated industry. Other regulations and restraints applicable to the beef industry include the:

(a) Beef promotion and research act of 1985, U.S.C. Title 7, chapter 62;

(b) Beef promotion and research, 7 C.F.R., Part 1260;

(c) Agricultural marketing act, 7 U.S.C., section 1621;

(d) USDA meat grading, certification, and standards, 7 C.F.R., Part 54;

(e) Mandatory price reporting, 7 C.F.R., Part 57;

(f) Grazing permits, 43 C.F.R., Part 2920;

(g) Capper-Volstead act, U.S.C. Title 7, chapters 291 and 292;

(h) Livestock identification under chapter 16.57 RCW and rules;

(i) Organic products act under chapter 15.86 RCW and rules;

(j) Intrastate commerce in food, drugs, and cosmetics act under chapter 69.04 RCW and rules, including provisions of 21 C.F.R. relating to the general manufacturing practices, food labeling, food standards, food additives, and pesticide tolerances;

(k) Washington food processing act under chapter 69.07 RCW and rules;

(l) Washington food storage warehouses act under chapter 69.10 RCW and rules;

(m) Animal health under chapter 16.36 RCW and rules; and

(n) Weights and measures under chapter 19.94 RCW and rules.

**Sec.**  RCW 16.67.090 and 2011 c 336 s 436 are each amended to read as follows:

The powers and duties of the commission shall include the following:

(1) To administer and enforce the provisions of this chapter, and do all things reasonably necessary to effectuate the purposes of this chapter;

(2) To elect a chair and such other officers as it deems advisable;

(3) To employ and discharge at its discretion a manager, secretary, and such other personnel, including attorneys engaged in the private practice of law subject to the review of the attorney general, as the commission determines are necessary and proper to carry out the purposes of this chapter, and to prescribe their duties and powers and fix their compensation;

(4) To adopt, rescind, and amend rules, regulations, and orders for the exercise of its powers hereunder subject to the provisions of chapter 34.05 RCW, except that rule-making proceedings conducted under this chapter are exempt from compliance with RCW 34.05.310, the provisions of chapter 19.85 RCW, the regulatory fairness act, and the provisions of RCW 43.135.055 when adoption of the rule is determined by a referendum vote of the affected parties;

(5) To establish by resolution, a headquarters which shall continue as such unless and until so changed by the commission. All records, books, and minutes of the commission shall be kept at such headquarters;

(6) To require a bond of all commission members and employees of the commission in a position of trust in the amount the commission shall deem necessary. The premium for such bond or bonds shall be paid by the commission from assessments collected. Such bond shall not be necessary if any such commission member or employee is covered by any blanket bond covering officials or employees of the state of Washington;

(7) To establish a beef commission revolving fund, such fund to be deposited in a bank or banks or financial institution or institutions, approved for the deposit of state funds, in which all money received by the commission, except an amount of petty cash for each day's needs not to exceed one hundred dollars, shall be deposited each day or as often during the day as advisable; none of the provisions of RCW 43.01.050 as now or hereafter amended shall apply to money collected under this chapter;

(8) To prepare a detailed and explanatory budget or budgets covering anticipated income and expenses to be incurred in carrying out the provisions of this chapter during each fiscal year;

(9) To incur expense and enter into contracts and to create such liabilities as may be reasonable for the proper administration and enforcement of this chapter;

(10) To borrow money, not in excess of its estimate of its revenue from the current year's contributions;

(11) To keep or cause to be kept in accordance with accepted standards of good accounting practice, accurate records of all assessments, expenditures, moneys, and other financial transactions made and done pursuant to this chapter. Such records, books, and accounts shall be audited at least every five years subject to procedures and methods lawfully prescribed by the state auditor. Such books and accounts shall be closed as of the last day of each fiscal year. A copy of such audit shall be delivered within thirty days after completion thereof to the director, the state auditor, and the commission. On such years and in such event the state auditor is unable to audit the records, books, and accounts within six months following the close of the audit period it shall be mandatory that the commission employ a private auditor to make such audit;

(12) To sue and be sued as a commission, without individual liability for acts of the commission within the scope of the powers conferred upon it by this chapter;

(13) To cooperate with any other local, state, or national commission, organization, or agency, whether voluntary or established by state or federal law, including recognized livestock groups, engaged in work or activities similar to the work and activities of the commission created by this chapter and make contracts and agreements with such organizations or agencies for carrying on joint programs beneficial to the beef industry and sustainable stewardship of cattle;

(14) To accept grants, donations, contributions, or gifts from any governmental agency or private source for expenditures for any purpose consistent with the provisions of this chapter; and

(15) To operate jointly with beef commissions or similar agencies established by state laws in adjoining states.

**Sec.**  RCW 16.67.091 and 2003 c 396 s 34 are each amended to read as follows:

(1) The commission shall develop and submit to the director for approval any plans, programs, and projects concerning the following:

(a) The establishment, issuance, effectuation, and administration of appropriate programs or projects for the advertising and promotion of its affected commodities; ((~~and~~))

(b) The establishment, effectuation, and administration of research, education, and programs related to health and safety of cattle, beef, and beef products; and

(c) The establishment and effectuation of market research projects, market development projects, or ((~~both~~)) industry specific educational projects to the end that the marketing and utilization of its affected commodities may be encouraged, expanded, improved, or made more efficient.

(2) The director shall review the commission's advertising or promotion program to ensure that no false claims are being made concerning its affected commodities.

(3) The commission, prior to the beginning of its fiscal year, shall prepare and submit to the director for approval its research plan, its commodity-related education and training plan, and its budget on a fiscal period basis.

(4) The director shall ((~~strive to~~)) review and make a determination of all submissions described in this section in a timely manner.

**Sec.**  RCW 16.67.110 and 2000 c 146 s 4 are each amended to read as follows:

The commission shall provide for programs designed to support sustainable stewardship of cattle and the environment; increase the consumption of beef; develop more efficient methods for the production, processing, handling and marketing of beef; eliminate transportation rate inequalities on feed grains and supplements and other production supplies adversely affecting Washington producers; properly identify beef and beef products for consumers as to quality and origin. For these purposes the commission may:

(1) Provide for programs for advertising, sales promotion and education, locally, nationally or internationally, for maintaining present markets and/or creating new or larger markets for beef. Such programs shall be directed toward increasing the sale of beef and shall neither make use of false or unwarranted claims in behalf of beef nor disparage the quality, value, sale or use of any other agricultural commodity;

(2) Provide for research: (a) To develop and discover the health, food, therapeutic, and dietetic value of beef and beef products ((~~thereof~~)); and (b) to develop materials, education, and programs related to health and safety of beef and beef products and the sustainable stewardship of cattle and the environment;

(3) Make grants to research agencies for financing studies((~~, including funds for the purchase or acquisition of equipments and facilities, in problems of~~)) related to beef health, beef production, processing, handling, and marketing, which may include funds for the acquisition of equipment and facilities;

(4) Disseminate reliable information founded upon the research undertaken under this chapter or otherwise available;

(5) Provide for rate studies and participate in rate hearings connected with problems of beef production, processing, handling or marketing; and

(6) Provide for proper labeling of beef and beef products so that the purchaser and the consuming public of the state will be readily apprised of the quality of the product and how and where it was processed.

NEW SECTION. **Sec.**  A new section is added to chapter 16.67 RCW to read as follows:

(1) The budget required in RCW 16.67.090(8) must set forth the complete and detailed financial program of the commission, showing the revenues and expenditures of the commission. The budget must be explanatory, describing how the funding is used to administer and implement the commission's programs and priorities, and include the reasons for salient changes from the previous fiscal period in expenditure or revenue items. The budget must explain any major changes to financial policy and contain an outline of the proposed financial policies of the commission for the ensuing fiscal period and describe performance indicators that demonstrate measurable progress toward the commission's priorities.

(2) The budget must be sufficiently detailed to provide transparency for the commission's actions on behalf of the industry.

(3) The commission must submit to the legislature a concise yet detailed report of the commission's activities and expenditures after the completion of each fiscal year.

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