

# Chapter 16-532 WAC

## HOPS

### WAC

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### RULES OF WASHINGTON STATE HOP COMMODITY BOARD

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### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

16-532-0402	Credit for market promotion activities. [Statutory Authority: RCW 15.65.050 and 15.65.430. 96-15-139, § 16-532-0402, filed 7/24/96, effective 8/24/96.] Repealed by 98-13-122, filed 6/17/98, effective 7/18/98. Statutory Authority: RCW 15.65.050.
16-532-0404	General requirements for credit. [Statutory Authority: RCW 15.65.050 and 15.65.430. 96-15-139, § 16-532-0404, filed 7/24/96, effective 8/24/96.] Repealed by 98-13-122, filed 6/17/98, effective 7/18/98. Statutory Authority: RCW 15.65.050.
16-532-0406	Eligible activities. [Statutory Authority: RCW 15.65.-050 and 15.65.430. 96-15-139, § 16-532-0406, filed 7/24/96, effective 8/24/96.] Repealed by 98-13-122, filed 6/17/98, effective 7/18/98. Statutory Authority: RCW 15.65.050.
16-532-0408	No duplication of credit. [Statutory Authority: RCW 15.65.050 and 15.65.430. 96-15-139, § 16-532-0408, filed 7/24/96, effective 8/24/96.] Repealed by 98-13-122, filed 6/17/98, effective 7/18/98. Statutory Authority: RCW 15.65.050.
16-532-0410	Filing of claims. [Statutory Authority: RCW 15.65.050 and 15.65.430. 96-15-139, § 16-532-0410, filed 7/24/96, effective 8/24/96.] Repealed by 98-13-122, filed 6/17/98, effective 7/18/98. Statutory Authority: RCW 15.65.050.
16-532-0412	Time for filing and determinations. [Statutory Authority: RCW 15.65.050 and 15.65.430. 96-15-139, § 16-532-0412, filed 7/24/96, effective 8/24/96.] Repealed by 98-13-122, filed 6/17/98, effective 7/18/98. Statutory Authority: RCW 15.65.050.
16-532-0414	Appeals. [Statutory Authority: RCW 15.65.050 and 15.65.430. 96-15-139, § 16-532-0414, filed 7/24/96, effective 8/24/96.] Repealed by 98-13-122, filed 6/17/98, effective 7/18/98. Statutory Authority: RCW 15.65.050.
16-532-065	Rules for implementation of promotional hosting by the Washington hop commission. [Statutory Authority: Chapter 15.65 RCW. 92-09-068, § 16-532-065, filed 4/14/92, effective 5/15/92.] Repealed by 05-15-098, filed 7/15/05, effective 8/15/05. Statutory Authority: RCW 15.65.047 and chapter 34.05 RCW.
16-532-101	Promulgation. [Promulgation, filed 10/16/64.] Repealed by 04-10-059, filed 4/30/04, effective 5/31/04. Statutory Authority: RCW 15.65.047 and chapter 34.05 RCW.

**WAC 16-532-010 Definitions.** For the purpose of this marketing order:

(1) "Director" means the director of agriculture of the state of Washington or his duly appointed representative.

(2) "Department" means the department of agriculture of the state of Washington.

(3) "Act" means the Washington State Agricultural Enabling Act of 1961 or chapter 15.65 RCW.

(4) "Person" means any person, firm, association or corporation.

(5) "Affected producer" or "producer" means any person who produces hops in commercial quantities in the state of Washington.

(6) "Commercial quantity" means any hops produced for market by a producer in any calendar year.

(7) "Handler" means any person who acts as principal or agent or otherwise in processing, selling, marketing, or distributing hops not produced by him.

(8) "Hop commodity board" hereinafter referred to as "board" means the commodity board formed under the provisions of WAC 16-532-020.

(9) "Hops" means and includes all kinds and varieties of "humulus lupulus" grown, picked and dried in the state of Washington, whether loose, packaged or baled and all oils, extracts and/or lupulin derived therefrom.

(10) "Processed" means and includes all hops which are converted into pellets, extracts, oils, lupulin, and/or other forms, including hops which are frozen in undried form, but excluding whole, dried hop cones, whether loose or baled.

(11) "Marketing season" means the twelve month period beginning with January 1 of any year and ending December 31, both dates being inclusive.

(12) "Producer-handler" means any person who acts both as a producer and as a handler with respect to hops. A producer-handler shall be deemed to be a producer with respect to the hops which he produces and a handler with respect to the hops which he handles, including those produced by himself.

(13) "Affected area" means the state of Washington.

(14) "Sell" includes offer for sale, expose for sale, have in possession for sale, exchange, barter or trade.

(15) "Affected unit" means two hundred pounds net of hops, or the amount of lupulin, extract or oil produced from two hundred pounds net of hops.

[Statutory Authority: RCW 15.65.047 and chapter 34.05 RCW. 05-15-098, § 16-532-010, filed 7/15/05, effective 8/15/05. Statutory Authority: RCW 15.65.050. 98-13-122, § 16-532-010, filed 6/17/98, effective 7/18/98; 97-17-096, § 16-532-010, filed 8/20/97, effective 9/20/97. Statutory Authority: RCW 15.65.050 and 15.65.430. 96-15-139, § 16-532-010, filed 7/24/96, effective 8/24/96. Statutory Authority: Chapter 15.65 RCW. 92-09-068, § 16-532-010, filed 4/14/92, effective 5/15/92; Marketing Order Article I, § A, filed 7/1/64.]

**WAC 16-532-020 Hop board. (1) Administration.** The provisions of this order and the applicable provisions of the act shall be administered and enforced by the board as the designee of the director.

**(2) Board membership.**

(a) The board shall consist of eight members. Seven members shall be affected producers elected as provided in this section. The director shall appoint one member of the board who is neither an affected producer nor a handler to represent the department and the public.

(b) For the purpose of nomination and election of producer members of the board, the affected area shall be the entire state of Washington.

**(3) Board membership qualifications.**

The affected producer members of the board shall be practical producers of hops and shall be citizens and residents of the state of Washington, over the age of twenty-five years, each of whom is and has been actually engaged in producing hops within the state of Washington for a period of five years and has during that time derived a substantial portion of his income therefrom and who is not engaged in business, directly or indirectly, as a handler or other dealer.

**(4) Term of office.**

(a) The term of office for members of the board shall be three years and one-third of the membership as nearly as possible shall be elected each year.

(b) Membership positions on the board shall be designated numerically; affected producers shall have positions one through seven and the member appointed by the director position eight.

(c) The term of office for the initial board members shall be as follows:

Positions one, two, three and ten - Until June 30, 1967  
Positions four, five and six - Until June 30, 1966  
Positions seven, eight and nine - Until June 30, 1965

(d) Terms of office for the board members serving at the time of the 1992 amendment of this section shall be as follows:

Positions one, two, three and ten - Until December 31, 1994  
Positions four, five and six - Until December 31, 1993  
Positions seven, eight and nine - Until December 31, 1992

(e) The term of office for the remaining producer board members serving at the time of the effective date of the 2005 amended marketing order shall be as follows:

Positions four, five, and six - Until December 31, 2005  
Positions one and two - Until December 31, 2006  
Positions three and seven - Until December 31, 2007

**(5) Nomination and election of board members.** Each year the director shall call for a nomination meeting. Such meeting shall be held at least thirty days in advance of the date set by the director for the election of board members. Notice of every such meeting shall be published in a newspaper of general circulation within the major production area not less than ten days in advance of the date of such meeting and in addition, written notice of every such meeting shall be given to all affected producers according to the list maintained by the director pursuant to RCW 15.65.200 of the act. Nonreceipt of notice by any interested person shall not inval-

idate the proceedings at such nomination meeting. Any qualified affected producer may be nominated orally for membership on the board at such nomination meetings. Nominations may also be made within five days after any such meetings by written petition filed with the director signed by not less than five affected producers. At the inception of this order nominations may be made at the issuance hearing.

**(6) Election of board members.**

(a) Members of the board shall be elected by secret mail ballot within the month of November under the supervision of the director. Affected producer members of the board shall be elected by a majority of the votes cast by the affected producers. Each affected producer shall be entitled to one vote.

(b) If a nominee does not receive a majority of the votes on the first ballot a run-off election shall be held by mail in a similar manner between the two candidates for such position receiving the largest number of votes.

(c) Notice of every election for board membership shall be published in a newspaper of general circulation within the major production area not less than ten days in advance of the date of such election. Not less than ten days prior to every election for board membership, the director shall mail a ballot of the candidates to each affected producer entitled to vote whose name appears upon the list of such affected producers maintained by the director in accordance with RCW 15.65.200. Any other affected producer entitled to vote may obtain a ballot by application to the director upon establishing his qualifications. Nonreceipt of a ballot by any affected producer shall not invalidate the election of any board member.

**(7) Vacancies prior to election.** In the event of a vacancy on the board, the remaining members shall select a qualified person to fill the unexpired term.

**(8) Quorum.** A majority of the members shall constitute a quorum for the transaction of all business and the carrying out of all duties of the board.

**(9) Board compensation.** No member of the board shall receive any salary or other compensation, but each member shall be reimbursed for actual subsistence and traveling expenses incurred through attendance at meetings or other board activities: Provided, That such expenses shall be authorized by resolution by unanimous approval of the board at a regular meeting.

**(10) Powers and duties of the board.** The board shall have the following powers and duties:

(a) To administer, enforce and control the provisions of this order as the designee of the director.

(b) To elect a chairman and such other officers as the board deems advisable.

(c) To employ and discharge at its discretion such personnel, including attorneys engaged in the private practice of law subject to the approval and supervision of the attorney general, as the board determines are necessary and proper to carry out the purpose of the order and effectuate the declared policies of the act.

(d) To pay only from moneys collected as assessments or advances thereon the costs arising in connection with the formulation, issuance, administration and enforcement of the order. Such expenses and costs may be paid by check, draft or voucher in such form and in such manner and upon the signature of the person as the board may prescribe.

(e) To reimburse any applicant who has deposited money with the director in order to defray the costs of formulating the order.

(f) To establish a "hop board marketing revolving fund" and 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 board except as the 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.

(g) To keep or cause to be kept in accordance with accepted standards of good accounting practice, accurate records of all assessments, paid outs, moneys and other financial transactions made and done pursuant to this order. Such records, books and accounts shall be audited 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 of the state of Washington. A copy of such audit shall be delivered within thirty days after the completion thereof to the governor, the director, the state auditor and the board.

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

(i) To prepare a budget or budgets covering anticipated income and expenses to be incurred in carrying out the provisions of the order during each fiscal year.

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

(k) To adopt rules and regulations of a technical or administrative nature, subject to the provisions of chapter 34.05 RCW (Administrative Procedure Act).

(l) To carry out the provisions of RCW 15.65.510 covering the obtaining of information necessary to effectuate the provisions of the order and the act, along with the necessary authority and procedure for obtaining such information.

(m) To bring actions or proceedings upon joining the director as a party for specific performance, restraint, injunction or mandatory injunction against any person who violates or refuses to perform the obligations or duties imposed upon him by the act or order.

(n) To confer with and cooperate with the legally constituted authorities of other states and of the United States for the purpose of obtaining uniformity in the administration of federal and state marketing regulations, licenses, agreements or orders.

(o) To carry out any other grant of authority or duty provided designees and not specifically set forth in this section.

**(11) Procedures for board.**

(a) The board shall hold regular meetings, at least quarterly, with the time and date thereof to be fixed by resolution of the board.

(b) The board shall hold an annual meeting, at which time an annual report will be presented. The proposed budget shall be presented for discussion at the meeting. Notice of the

annual meeting shall be given by the board at least ten days prior to the meeting by written notice to each producer and by regular wire news services and radio-television press.

(c) The board shall establish by resolution, the time, place and manner of calling special meetings of the board with reasonable notice to the members: Provided, That the notice of any special meeting may be waived by a waiver thereof by each member of the board.

[Statutory Authority: RCW 15.65.047, chapter 34.05 RCW. 11-10-074, § 16-532-020, filed 5/3/11, effective 6/3/11; 05-15-098, § 16-532-020, filed 7/15/05, effective 8/15/05. Statutory Authority: RCW 15.65.050. 99-10-095, § 16-532-020, filed 5/5/99, effective 6/5/99. Statutory Authority: Chapter 15.65 RCW. 92-09-068, § 16-532-020, filed 4/14/92, effective 5/15/92; 88-24-028 (Order 1992), § 16-532-020, filed 12/2/88; Marketing Order Article II, §§ A through K, filed 7/1/64.]

**WAC 16-532-030 Marketing order purposes.** The order is to promote the general welfare of the state, to enable producers of hops to help themselves establish orderly, fair, sound, efficient, unhampered marketing and standardization of hops and regulate unfair trade practices within the industry.

(1) To carry out the purposes of the order the board may provide for a program in one or more of the following areas:

(a) Establish plans and conduct programs for advertising, sales, promotion and/or other programs for maintaining present markets and/or creating new or larger markets for hops. Such programs shall be directed toward increasing the sale of hops without reference to any particular brand or trade name and shall neither make use of false or unwarranted claims in behalf of hops nor disparage the quality, value, sale or use of any other agricultural commodity.

(b) Provide for research in the production, processing and/or distribution of hops and expend the necessary funds for such purposes. Insofar as practicable, such research shall be carried on by experiment stations of Washington State University, but if in the judgment of the board said experiment stations do not have the facilities for a particular project or if some other research agency has better facilities therefor, the project may be carried out by other research agencies selected by the board.

(c) Provide by rules and regulations for:

(i) Establishing uniform labels and labeling requirements for hops or any products thereof, requiring producers, handlers and other persons to conform to standards for the placing of labels, trademarks, insignia or brands on bales or packages, provided, that all licensed hop dealers or brokers are entitled to use on the face of their product any particular trademark, insignia, brand or label that they may now have or will have. That established brands, labels, trademarks or insignias may be properly used in selling or commercially disposing of hops and hop products or in offering the same for sale, advertising and/or delivering said hops or hop products;

(ii) Providing for inspection and enforcement to ascertain and effectuate compliance;

(iii) Establishing rules and regulations respecting the foregoing.

(d) Prohibit and/or otherwise regulate any one or more or all of the practices listed to the extent that such practices affect, directly or indirectly, hops or any product thereof, but only with respect to persons who engage in such practices

with the intent of or with the reasonably foreseeable effect of inducing any purchaser to become his customer or his supplier or of otherwise dealing or trading with him or of diverting trade from a competitor, to wit:

- (i) Paying rebates, commissions or unearned discounts;
- (ii) Unfairly extending privileges or benefits (pertaining to price, to credit, to the loan, lease or giving away of facilities, equipment or other property or to any other matter or thing) to any customer, supplier or other person;
- (iii) Discriminating between customers, or suppliers of a like class;
- (iv) Making or publishing false or misleading advertising. Such regulation may authorize uniform trade practices applicable to all similarly situated handlers and/or other persons.
- (e) The board may authorize use of any money received and of any persons employed thereunder for legal proceedings, of any type and in the name of any person, directed to enforcement of this or any other law in force in the state of Washington relating to the prevention of unfair trade practices.
- (f) Provide for marketing information and services to affected producers for the verification of grades, standards, weights, tests and sampling of quality and quantity of hops purchased by handlers from affected producers.
- (g) Participate in federal or state hearings or other proceedings concerning regulation of the manufacture, distribution, sale, or use of any pesticide as defined by RCW 15.58-030(29) or any agricultural chemical which is of use or potential use in producing hops.

[Statutory Authority: Chapter 15.65 RCW. 92-09-068, § 16-532-030, filed 4/14/92, effective 5/15/92; Marketing Order Article III, § A, filed 7/1/64.]

**WAC 16-532-035 Inspection required.** (1) Before marketing or processing, all varieties of hops produced in the state of Washington must be inspected and certified by the Federal/State Hop Inspection Service for quality and condition of seed, leaf and stem according to the standards established by the Federal Grain Inspection Service of the United States Department of Agriculture.

(2) Any hops that are baled on a producer's farm must be officially sampled by a Washington state department of agriculture inspector.

[Statutory Authority: Chapters 15.65 and 34.05 RCW. 06-15-105, § 16-532-035, filed 7/17/06, effective 8/17/06. Statutory Authority: RCW 15.65.050. 95-17-118 (Order 5077), § 16-532-035, filed 8/23/95, effective 9/23/95. Statutory Authority: Chapter 15.65 RCW. 88-24-028 (Order 1992), § 16-532-035, filed 12/2/88.]

**WAC 16-532-040 Assessments and collections.** (1) **Assessments.**

(a) The annual assessment on all varieties of hops shall be up to two dollars and fifty cents per affected unit, as approved by referendum vote of affected producers, the results of which shall be retained on file in the board's administrative office.

(b) For the purpose of collecting assessments the board may:

- (i) Require handlers to collect producer assessments from producers whose production they handle, and remit the same to the board; or

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(ii) Require the person subject to the assessment to give adequate assurance or security for its payment; or

(iii) Require the person subject to the assessment to remit assessments for any hops which are processed prior to the first sale; or

(iv) Require the person subject to the assessment to remit an inventory report for any hops which are not processed or sold prior to December 31 of the year in which they are produced.

(c) Subsequent to the first sale or processing, no affected units shall be transported, carried, shipped, sold, marketed, or otherwise handled or disposed of until every due and payable assessment herein provided for has been paid and the receipt issued. The foregoing shall include all affected units shipped or sold, both inside and outside the state.

(2) **Collections.** Any moneys collected or received by the board pursuant to the provisions of the order during or with respect to any season or year may be refunded on a pro rata basis at the close of such season or year or at the close of such longer period as the board determines to be reasonably adapted to effectuate the declared policies of this act and the purposes of such marketing agreement or order, to all persons from whom such moneys were collected or received or may be carried over into and used with respect to the next succeeding season, year or period whenever the board finds that the same will tend to effectuate such policies and purposes.

(3) **Penalties.** Any due and payable assessment herein levied in such specified amount as may be determined by the board pursuant to the provisions of the act and the order, shall constitute a personal debt of every person so assessed or who otherwise owes the same, and the same shall be due and payable to the board when payment is called for by it. In the event any person fails to pay the board the full amount of such assessment or such other sum on or before the date due, the board may, and is hereby authorized to add to such unpaid assessment or sum an amount not exceeding ten percent of the same to defray the cost of enforcing the collecting of the same. In the event of failure of such person or persons to pay any such due and payable assessment or other such sum, the board may bring a civil action against such person or persons in a state court of competent jurisdiction for the collection thereof, together with the above specified ten percent thereon, and such action shall be tried and judgment rendered as in any other cause of action for debt due and payable.

[Statutory Authority: Chapters 15.65 and 34.05 RCW. 08-15-039, § 16-532-040, filed 7/10/08, effective 8/10/08. Statutory Authority: RCW 15.65.047 and chapter 34.05 RCW. 05-15-098, § 16-532-040, filed 7/15/05, effective 8/15/05. Statutory Authority: RCW 15.65.050. 97-17-096, § 16-532-040, filed 8/20/97, effective 9/20/97; 95-17-118 (Order 5077), § 16-532-040, filed 8/23/95, effective 9/23/95. Statutory Authority: Chapter 15.65 RCW. 91-15-019 (Order 2090), § 16-532-040, filed 7/10/91, effective 8/10/91. Statutory Authority: RCW 15.65.170. 87-10-059 (Order 1927), § 16-532-040, filed 5/6/87, effective 6/8/87. Statutory Authority: Chapter 15.65 RCW. 83-16-041 (Order 1800), § 16-532-040, filed 7/29/83; 80-05-090 (Order 1686), § 16-532-040, filed 5/1/80; 79-01-045 (Order 1593), § 16-532-040, filed 12/21/78; Order 1332, § 16-532-040, filed 1/17/74; Marketing Order Article IV, §§ A through C, filed 7/1/64.]

**WAC 16-532-050 Obligations of the board.** Obligations incurred by the board or employee or agent thereof pertaining to their performance or nonperformance or misperformance of any matters or things authorized, required or permitted them by the act or this order, and any other liabilities

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or claims against them or any of them shall be enforced in the same manner as if the whole organization under the order were a corporation. No liability for the debts or actions of the board, employee or agent incurred in their official capacity under this order shall exist either against the board, officers, employees and/or agents in their individual capacity, nor against the state of Washington or any subdivision or instrumentality thereof nor against any other organization, administrator or board (or employee or agent thereof) established pursuant to this act or the assets thereof. The board, and its agents and employees, shall not be held responsible individually in any way whatsoever to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as principal, agent, person or employee, except for their own individual acts of dishonesty or crime. No such person or employee shall be held responsible individually for any act or omission of any other board, member of the board, or other person. The liability of the members of the board shall be several and not joint and no member shall be liable for the default of any other member.

[Marketing Order Article V, § A, filed 7/1/64.]

**WAC 16-532-060 Termination of the order.** The order shall be terminated if the director finds that fifty-one percent by numbers and fifty-one percent by volume of production of the affected producers favor or assent such dissolution. The director may ascertain without compliance with RCW 15.65.050 through 15.65.130 of the act whether such termination is so assented to or favored whenever twenty percent by numbers or twenty percent by volume of production of the affected producers file written application with him for such termination. The termination shall not, however, become effective until the expiration of the marketing season.

[Marketing Order Article VI, § A, filed 7/1/64.]

**WAC 16-532-070 Effective time.** This marketing order for hops shall become effective on and after August 15, 1964.

[Marketing Order Article VII, § A, filed 7/1/64.]

**WAC 16-532-080 Separability.** If any provisions hereof are declared invalid, or the applicability thereof to any person, circumstances or thing is held invalid, the validity of the remainder hereof or of the applicability thereof to any other person, circumstances or thing shall not be affected thereby.

[Marketing Order Article VIII, § A, filed 7/1/64.]

## RULES OF WASHINGTON STATE HOP COMMODITY BOARD

**WAC 16-532-103 Rules for implementation of promotional hosting by the Washington state hop commodity board (commission)—Definitions.** For the purposes of WAC 16-532-105, the following definitions shall apply:

(1) **"Promotional hosting"** as used in these rules means the hosting of individuals and groups of individuals at meetings, meals, and gatherings for the purpose of cultivating trade relations and promoting sales of Washington-grown hops.

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(2) **"Hosting"** may include providing meals, refreshments, lodging, transportation, gifts of nominal value, reasonable and customary entertainment, and normal incidental expenses at meetings or gatherings.

[Statutory Authority: Chapter 15.65 RCW, specifically RCW 15.65.305, chapter 34.05 RCW, 05-12-052, § 16-532-103, filed 5/26/05, effective 6/26/05.]

**WAC 16-532-105 Rules for implementation of promotional hosting by the Washington state hop board.** RCW 15.65.305 and 15.04.200 provide that agricultural commodity boards or commissions shall adopt rules governing promotional hosting expenditures by agricultural commodity board or commission employees, agents, or commissioners. The rules governing promotional hosting expenditures for the Washington state hop board (commission) shall be as follows:

(1) Budget approval. Commission expenditures for agricultural development or trade promotion and promotional hosting shall be pursuant to specific budget items as approved by the commission at annual public hearings on the commission budget.

(2) Officials and agents authorized to make expenditures. The following officials and agents are authorized to make expenditures for agricultural development or trade promotion and promotional hosting in accordance with the provisions of these rules:

(a) Hop board members.

(b) Administrators. Individual commissioners shall make promotional hosting expenditures, or seek reimbursements for those expenditures, only in those instances where the expenditures have been approved by the commission.

(3) Payment and reimbursement. All payments and reimbursements shall be identified and supported by vouchers to which receipts are attached. Voucher forms will be supplied by the commission, and shall require the following information:

(a) Name and position of each person hosted, provided that in case of a group of twenty-five or more persons, then only the name of the group hosted shall be required.

(b) General purpose of the hosting.

(c) Date of hosting.

(d) Location of the hosting.

(e) To whom payment was or will be made.

(f) Signature of person seeking payment or reimbursement.

(4) The chair of the commission and administrator are authorized to approve direct payment or reimbursements submitted in accordance with these rules.

(5) The following persons may be hosted when it is reasonably believed such hosting will cultivate trade relations and promote sales of Washington-grown hops, provided that such hosting shall not violate federal or state conflict of interest laws:

(a) Individuals from private business.

(b) Foreign government officials.

(c) Federal and state officials: Provided, lodging, meals, and transportation will not be provided when such officials may obtain reimbursement for these expenses from their government employer.

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(d) The general public, at meetings and gatherings open to the general public.

(e) Commissioners and employees of the commission when their attendance at meetings, meals, and gatherings at which the persons described in (a) through (d) of this subsection are being hosted will cultivate and promote sales of Washington-grown hops.

[Statutory Authority: Chapter 15.65 RCW, specifically RCW 15.65.305, chapter 34.05 RCW. 05-12-052, § 16-532-105, filed 5/26/05, effective 6/26/05.]

**WAC 16-532-110 Requirements for collection of assessments.** (1) Assessments on all hops marketed or processed shall be paid at the rate specified in WAC 16-532-040 to the hop commodity board (commission) by the first handler receiving or handling such hops for or from a producer. The assessments shall be deducted from the payment to be made by such handler to the producer. If processing occurs before the first sale, the assessment shall be paid by the producer.

(2) Payment of such assessment shall be due and payable on the tenth day of the second calendar month following the receiving or delivery to said first handler or the assumption of control of a producer's hops, or following the date of processing, if processed prior to the first sale, by said first handler or producer.

(3) A report on all hops which are produced during the preceding crop year, including a breakdown of pounds marketed, pounds not processed or marketed, and pounds processed but not marketed prior to December 31 of the year in which those hops are produced shall be submitted by the producer no later than January 31 of the following year.

(4) Any handler or producer failing to pay on or before the due date set forth for payment in this regulation, shall add ten percent to the total amount due as a cost for collection as prescribed in RCW 15.65.440.

[Statutory Authority: Chapter 15.65 RCW, specifically RCW 15.65.047 and 15.65.280, and chapter 34.05 RCW. 05-12-051, § 16-532-110, filed 5/26/05, effective 6/26/05. Statutory Authority: RCW 15.65.050. 97-17-096, § 16-532-110, filed 8/20/97, effective 9/20/97. Statutory Authority: Chapter 15.65 RCW. 92-09-068, § 16-532-110, filed 4/14/92, effective 5/15/92; Regulation 1, filed 10/16/64.]

**WAC 16-532-115 Reporting.** (1) A report on all hops which are produced during the preceding crop year, including a breakdown of pounds marketed, pounds not processed or marketed, and pounds processed but not marketed prior to December 31 of the year in which those hops are produced, shall be submitted by the producer no later than January 31 of the following year.

(2) A "custom processing" report on all hops processed but not sold will be submitted to the commission by the custom processor on the form prescribed by the commission.

[Statutory Authority: Chapter 15.65 RCW, specifically RCW 15.65.047 and 15.65.280, and chapter 34.05 RCW. 05-12-051, § 16-532-115, filed 5/26/05, effective 6/26/05.]

**WAC 16-532-120 Labeling.** Each lot of hops must be identified by the crop year produced, grower number and lot designation, and variety stenciled on each bale.

(1) A three-digit grower number will be assigned by the Washington hop commodity board (commission) prior to the annual harvest.

(2) The first marking will consist of the last digit of the crop year and a hyphen, followed by the three-digit grower number and lot designation (example: 8-000-001).

(3) The first marking shall be affixed on the head or top of the bale and shall be in characters approximately two inches high.

(4) The second marking will consist of the hop variety, utilizing a two-letter abbreviation. A list of approved two-letter abbreviations will be approved annually by the Washington state hop commodity board.

(5) The second marking shall be affixed immediately below the first marking on the head or top of the bale, and shall be in characters approximately two inches high.

[Statutory Authority: Chapters 15.65 and 34.05 RCW. 08-14-054, § 16-532-120, filed 6/25/08, effective 7/26/08; 06-15-135, § 16-532-120, filed 7/19/06, effective 8/19/06. Statutory Authority: RCW 15.65.047 and chapter 34.05 RCW. 04-10-059, § 16-532-120, filed 4/30/04, effective 5/31/04. Statutory Authority: RCW 15.65.050. 97-17-096, § 16-532-120, filed 8/20/97, effective 9/20/97; 95-17-118 (Order 5077), § 16-532-120, filed 8/23/95, effective 9/23/95. Statutory Authority: RCW 15.65.280 and WAC 16-532-020 10K [(10)(k)]. 93-09-014, § 16-532-120, filed 4/13/93, effective 5/14/93. Statutory Authority: RCW 15.65.380. 88-13-050 (Resolution No. 88-01), § 16-532-120, filed 6/10/88; Regulation 2, filed 10/16/64.]