

FORM OF ORDER AND TRANSMITTAL BY AGENCY HAVING SINGLE HEAD

State of Washington

DEPARTMENT OF AGRICULTURE
(agency name)

Administrative Order No. 1872

(1) I, C. Alan Pettibone, director of Washington State Department of Agriculture do promulgate and adopt at Olympia, Washington (place) the annexed rules relating to:

New Chapter 16-514 WAC
Washington Egg Commission

(2) ALTERNATIVE A. Use only for Adoption of Permanent Rules.

This action is taken pursuant to Notice No. WSR 85-14-103 filed with the code reviser on July 3, 1985. These rules shall take effect: thirty days after they are filed with the code reviser pursuant to RCW 34.04.040(2). at a later date, such date being November 1, 1985.

(2) ALTERNATIVE B. Use only for Adoption of Emergency Rules.

I, find that an emergency exists and that this order is necessary for the preservation of the public health, safety, or general welfare and that observance of the requirements of notice and opportunity to present views on the proposed action would be contrary to public interest. A statement of the facts constituting the emergency is:

These rules are therefore adopted as emergency rules to take effect upon filing with the code reviser.

(3) Pursuant to the requirements of RCW 34.04.026¹ that "every agency shall incorporate the most specific, but in no case omit all, of the following language alternatives when adopting or amending rules" fill in statement (a), (b), or (c) as appropriate:

(a) This rule is promulgated pursuant to RCW 15.65 and is intended to administratively implement that statute.

(b) This rule is promulgated pursuant to RCW which directs that the

(agency)
has authority to implement the provisions of (name of act or RCW citation)

(c) This rule is promulgated under the general rule-making authority of the

(agency)
as authorized in RCW

(4) The undersigned hereby declares that the agency has complied with the provisions of the Open Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act (chapter 34.04 RCW) and the State Register Act (chapter 34.08 RCW) in the adoption of these rules.

(5) This order, after being first recorded in the order register of this agency, is herewith transmitted to the Code Reviser for filing pursuant to chapter 34.04 RCW and chapter 1-12 WAC.

STATE OF WASHINGTON

APPROVED AND ADOPTED September 24

SEP 25 1985

By

C. Alan Pettibone 19 85

Director

Title

CODE REVISER'S OFFICE
WSR 85-20-042

Chapter 16-514 WAC

WASHINGTON EGG COMMISSION

WAC

16-514-010	Definition of terms.
16-514-020	Egg commodity board.
16-514-030	Marketing order purposes.
16-514-040	Assessments and collections.
16-514-041	Time--Place--Method for payment and collection of assessments.
16-514-050	Obligations of the board.
16-514-060	Termination of the order.
16-514-070	Effective time.
16-514-080	Separability.

NEW SECTION

WAC 16-514-010 DEFINITION OF TERMS. For the purpose of this marketing order:

- (1) "Director" means the director of agriculture of the state of Washington or the duly appointed representative.
- (2) "Department" means the department of agriculture of the state of Washington.
- (3) "Act" means the Washington Agricultural Enabling Act of 1961 or chapter 15.65 RCW.
- (4) "Person" means any person, firm, association, or corporation.
- (5) "Affected producer" means any person who produces eggs in commercial quantities for fresh shell egg market, for further processing, or for sale to processors in the state of Washington.
- (6) "Commercial quantity" means any eggs produced for a market in quantities of sixty-seven thousand five hundred dozen or more, 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 eggs not produced by him/her.
- (8) "Egg commodity board," hereinafter referred to as "board," means the commodity board formed under the provisions of WAC 16-514-020.
- (9) "Eggs" means eggs from domesticated chickens which are sold for human consumption either in shell egg form or for further processing into egg products. This excludes hatching eggs intended for use by hatcheries for production of baby chicks.
- (10) "Fiscal year" means the twelve-month period beginning with January 1 of any year and ending with the last day of December following, both dates being inclusive.
- (11) "Producer-handler" means any person who acts both as a producer and as a handler with respect to eggs. A producer-handler shall be deemed to be a producer with respect to the eggs which he/she produces and a handler with respect to the eggs which he/she handles, including those produced by himself/herself.
- (12) "Affected area" means the state of Washington.
- (13) "Sell" includes offer for sale, expose for sale, have in possession for sale, exchange, barter, or trade.
- (14) "Affected unit" means one dozen eggs.
- (15) "Order" means marketing order.

NEW SECTION

WAC 16-514-020 EGG COMMODITY BOARD. (1) ADMINISTRATION. The provisions of this marketing order and the applicable provisions of chapter 15.65 RCW 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 or their representatives elected as provided in this section. The director shall appoint one member 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 state of Washington, and members shall be elected members at large.

(3) BOARD MEMBERSHIP QUALIFICATIONS. The affected producer members of the board or their representatives shall be producers of eggs 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 eggs within the state of Washington for a period of five years and has, during that time, derived a substantial portion of his/her income therefrom. Producer-handlers shall be considered to be acting only as producers for purpose of election and membership on a commodity board. The qualifications of members of the board as herein set forth must continue during the terms of office.

(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 six and the member appointed by the director, position seven.

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

Positions one and two - one year;

Positions three and four - two years;

Positions five, six, and seven - three years.

(d) No elected individual member of the board may serve more than two full consecutive three-year terms.

(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 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. Nonreceipt of notice by any interested person shall not invalidate the proceedings at such nomination meeting. Any qualified affected producer may be nominated orally for membership on the board at such nomination meeting. Nominations may also be made within five days after any such meeting by written petition filed with the director, signed by not less than five affected producers. At the inception of this marketing 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 October 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 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 on 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 members.

(7) VACANCIES PRIOR TO ELECTION. In the event of a vacancy on the board, the remaining elected 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 may be compensated for each day in actual attendance at or traveling to and from meetings of the board or on special assignment for the board, in accordance with RCW 43.03.230 together with travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(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 as the board determines necessary and proper to carry out the purpose of the order and effectuate the declared policies of the act.

(d) To pay 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 with the director in order to defray the costs of formulating the order.

(f) To establish an "egg 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.

(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. 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 34.04 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 the person by the act or the 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 semiannually, and such meetings shall be held in accordance with chapter 42.30 RCW (Open Public Meetings Act).

(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 notifying the regular news media.

(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.

NEW SECTION

WAC 16-514-030 MARKETING ORDER PURPOSES. The marketing order is to promote the general welfare of the state, to enable producers of eggs to help themselves establish orderly, fair, sound, efficient, unhampered marketing. To carry out the purposes of the marketing order, the board may provide for programs in the following areas:

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

(2) Provide for research in the production, processing, and/or marketing of eggs 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 therefore, the project may be carried out by other research agencies selected by the board.

(3) Provide for marketing information and services to affected producers.

(4) Investigate and take necessary action to prevent unfair trade practices and to correct where possible, trade practices which hinder marketing of Washington produced eggs.

(5) Prohibit making or publishing false or misleading advertising. Such regulation may authorize uniform trade practices applicable to all similarly situated handlers and/or other persons.

(6) 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 the enforcement of this or any other law in force in the state of Washington relating to the prevention of unfair trade practices.

NEW SECTION

WAC 16-514-040 ASSESSMENTS AND COLLECTIONS. (1) Assessments.

(a) The assessment on all eggs shall be one-half cent per affected unit (one dozen).

(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

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

(iii) For the purpose of assuring compliance with the recordkeeping requirements and verifying reports filed by producers or handlers, the director and the board through its duly authorized employees, shall have access to and the authority to audit such records.

(iv) All reports and records furnished or submitted by producers or handlers to, or obtained by the employees of, the board which contain data or information constituting a trade secret or disclosing the trade position, financial condition, or business operations of the particular producer or handler from whom received, shall be treated as confidential, and the reports and all information obtained from records shall not be disclosed to board members and shall at all times be kept in the custody and under the control of one or more employees of the board who shall not disclose such information to any person other than the director, or his authorized agents. Compilations of general reports from data and information submitted by producers or handlers is authorized subject to the prohibition of disclosure of individual producers' or handlers' identity or operations.

(2) Collections. Any moneys collected or received by the board pursuant to the provisions of the marketing order during or with respect to any year, may be refunded on a pro rata basis at the close of such year or at the close of such period as the board determines to be reasonably adapted to effectuate the declared policies of this act and the purposes of such marketing 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 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 marketing 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.

NEW SECTION

WAC 16-514-041 TIME--PLACE--METHOD FOR PAYMENT AND COLLECTION OF ASSESSMENTS. The following procedure is established for the reporting and paying of assessments levied pursuant to RCW 15.65.410 and WAC 16-514-040:

(1) All first handlers of eggs for resale or for processing shall withhold the amount of the assessment from their remittance to growers and transmit same to the commission. All such assessments accumulated in one calendar month will be due and payable to the commission on or before the end of the following calendar month. First handlers shall submit to the commission on or before December 31 of each year, a report listing the name, address, cases handled or purchased, and amount deducted or collected for each producer on forms provided by the commission.

(2) All affected producers selling eggs other than to first handlers for resale or processing, whether selling direct or through brokers, and including all sales at retail, shall pay the assessment directly to the commission, on or before the end of the following calendar month.

(3) Any assessments paid after the above deadlines shall be accompanied by a penalty fee of ten percent as provided in RCW 15.65-.440 of the act.

(4) All hatching eggs are exempt from this order.

NEW SECTION

WAC 16-514-050 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 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.

NEW SECTION

WAC 16-514-060 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 the director for such termination. The termination shall not, however, become effective until the expiration of the fiscal year.

NEW SECTION

WAC 16-514-070 EFFECTIVE TIME. (1) This marketing order for eggs shall become effective on or after November 1, 1985.

(2) This order shall remain in full force and effect until December 31, 1990, unless terminated prior thereto under the provisions of chapter 15.65 RCW as set forth in WAC 16-514-060: PROVIDED, That if it remains in effect until December 31, 1990, the director shall conduct a referendum election as required for the approval of an order under chapter 15.65 RCW at such time prior to such date so that he may determine if the affected producers desire that the order be terminated on such date or continued in full force and effect beyond such date. All costs of conducting such election shall be defrayed from the funds of the commission.

NEW SECTION

WAC 16-514-080 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.