

WSR 24-24-114

PERMANENT RULES

DEPARTMENT OF AGRICULTURE

[Filed December 4, 2024, 11:19 a.m., effective January 4, 2025]

Effective Date of Rule: Thirty-one days after filing.

Purpose: In response to a petition for rule making, the department of agriculture is proposing to clarify current rule language by replacing all gender-specific pronouns with modern gender-inclusive pronouns.

Citation of Rules Affected by this Order: Amending WAC 16-532-010, 16-532-020, 16-532-030, 16-532-060, and 16-532-135.

Statutory Authority for Adoption: RCW 15.24.035, 15.26.060, 15.28.023, 15.44.021, 15.65.240, 15.66.113, 15.88.050, 15.89.050, 15.115.060, 16.67.060.

Other Authority: RCW 43.01.160, 43.23.025.

Adopted under notice filed as WSR 24-20-105 on September 30, 2024.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 5, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: December 4, 2024.

Derek I. Sandison
Director

OTS-5894.1

AMENDATORY SECTION (Amending WSR 17-16-004, filed 7/20/17, effective 8/20/17)

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

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

"Affected area" means the state of Washington.

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

"Affected unit" means one pound net of dried hops, or the amount of lupulin, extract or oil produced from pound net of dried hops.

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

"Department" means the department of agriculture of the state of Washington.

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

"Disclosure" means inspection or copying.

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

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

"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.

"Marketing season" means the ((twelve)) 12-month period beginning with January 1st of any year and ending December 31st, both dates being inclusive.

"Person" means any person, firm, association or corporation.

"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, wet (fresh) or dried hop cones, whether loose or baled.

"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)) they produce((s)) and a handler with respect to the hops which ((he)) they handle((s)), including those produced by ((himself)) themselves.

"Public records" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by the department regardless of physical form or characteristics.

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

AMENDATORY SECTION (Amending WSR 11-10-074, filed 5/3/11, effective 6/3/11)

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)) 25 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)) their 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)~~) 30 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)~~) 10 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 invalidate 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)~~) 10 days in advance of the date of such election. Not less than (~~(ten)~~) 10 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)) their 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)) \$100, 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)) 30 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))~~ them 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))~~ 10 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.

AMENDATORY SECTION (Amending WSR 92-09-068, filed 4/14/92, effective 5/15/92)

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))~~ (1) 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))~~ (2) 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.

~~((e))~~ (3) Provide by rules and regulations for:

~~((i))~~ (a) 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))~~ (b) Providing for inspection and enforcement to ascertain and effectuate compliance;

~~((iii))~~ (c) Establishing rules and regulations respecting the foregoing.

~~((d))~~ (4) 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))~~ their customer or ~~((his))~~ their supplier or of otherwise dealing or trading with ~~((him))~~ them or of diverting trade from a competitor, to wit:

~~((i))~~ (a) Paying rebates, commissions or unearned discounts;

~~((ii))~~ (b) 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))~~ (c) Discriminating between customers, or suppliers of a like class;

~~((iv))~~ (d) 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))~~ (5) 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))~~ (6) 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))~~ (7) 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.

AMENDATORY SECTION (Amending Marketing Order Article VI, § 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)~~) 51 percent by numbers and (~~(fifty-one)~~) 51 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)~~) 20 percent by numbers or (~~(twenty)~~) 20 percent by volume of production of the affected producers file written application with (~~(him)~~) the director for such termination. The termination shall not, however, become effective until the expiration of the marketing season.

AMENDATORY SECTION (Amending WSR 17-16-004, filed 7/20/17, effective 8/20/17)

WAC 16-532-135 Requests for public records. (1) All requests for disclosure of public records must be submitted in writing directly to the commission's public records officer by mail at P.O. Box 2885, Yakima, WA 98907 or by email at washingtonhopcommission@gmail.com. The written request should include:

(a) The name of the person requesting the record and (~~(his or her)~~) their contact information;

(b) The calendar date on which the request is made;

(c) Sufficient information to readily identify the records being requested.

(2) Any person wishing to inspect the commission's public records may make an appointment with the public records officer to inspect the records at the commission office during regular business hours. In order to adequately protect the department's public records, the following will apply:

(a) Public records made available for inspection may not be removed from the area the commission makes available for inspection.

(b) Inspection of any public record will be conducted in the presence of the public records officer or designee.

(c) Public records may not be marked or altered in any manner during inspection.

(d) The commission has the discretion to designate the means and the location for the inspection of records. The viewing of those records that require specialized equipment shall be limited to the availability of that equipment located at the commission office and the availability of authorized staff to operate that equipment.