Z-1581.1		

HOUSE BILL 2819

State of Washington 53rd Legislature 1994 Regular Session

 ${\bf By}$ Representative Grant; by request of Department of Agriculture Read first time 01/24/94. Referred to Committee on Agriculture & Rural Development.

- 1 AN ACT Relating to the department of agriculture; amending RCW
- 2 15.58.070, 15.58.080, 22.09.011, 22.09.050, 22.09.055, 22.09.830,
- 3 17.24.021, 16.57.020, 16.57.080, 16.57.350, 15.04.400, 15.04.402, and
- 4 15.36.110; creating a new section; and declaring an emergency.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 **Sec. 1.** RCW 15.58.070 and 1989 c 380 s 6 are each amended to read 7 as follows:
- 8 (1) Except as provided in subsection (2) of this section, any 9 person desiring to register a pesticide with the department shall pay
- 10 to the director an annual registration fee for each pesticide
- 11 registered by the department for such person. The registration fee for
- 12 the registration of pesticides for any one person during a calendar
- 13 year shall be: One hundred five dollars for each of the first twenty-
- 14 five pesticides registered; one hundred dollars for each of the twenty-
- 15 sixth through one-hundredth pesticides registered; seventy-five dollars
- 16 for each of the one hundred first through one hundred fiftieth
- 17 pesticides registered; and fifty dollars for each additional pesticide
- 18 registered. In addition, the department may establish by rule a
- 19 registration fee not to exceed ten dollars for each registered product

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- labeled and intended for home and garden use only. The revenue generated by the home and garden use only fees shall be deposited in the agriculture--local fund, to be used to assist in funding activities of the pesticide incident reporting and tracking review panel. All pesticide registrations expire on December 31st of each year.
- (2) A person desiring to register a label where a special local 6 7 need exists shall pay to the director a nonrefundable application fee 8 of two hundred dollars upon submission of the registration request. In 9 addition, a person desiring to renew an approved special local need registration shall pay to the director an annual registration fee of 10 two hundred dollars for each special local needs label registered by 11 the department for such person. The revenue generated by the special 12 local needs application fees and the special local needs renewal fees 13 14 shall be deposited in the agricultural local fund to be used to assist in funding the department's special local needs registration 15 activities. All special local needs registrations expire on December 16 17 31st of each year.
- 18 (3) Any registration approved by the director and in effect on the 19 31st day of December for which a renewal application has been made and 20 the proper fee paid, continues in full force and effect until the 21 director notifies the applicant that the registration has been renewed, 22 or otherwise denied in accord with the provision of RCW 15.58.110.
- 23 **Sec. 2.** RCW 15.58.080 and 1989 c 380 s 7 are each amended to read 24 as follows:
- 25 If the renewal of a pesticide registration or special needs registration is not filed before January 1st of each year, an 26 additional fee of twenty-five dollars shall be assessed and added to 27 the original fee. The additional fee shall be paid by the applicant 28 29 before the registration renewal for that pesticide shall be issued unless the applicant furnishes an affidavit certifying that the 30 applicant did not distribute the unregistered pesticide during the 31 period of nonregistration. The payment of the additional fee is not a 32 bar to any prosecution for doing business without proper registry. 33
- 34 **Sec. 3.** RCW 22.09.011 and 1989 c 354 s 44 are each amended to read as follows:
- The definitions set forth in this section apply throughout this chapter unless the context clearly requires otherwise.

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- 1 (1) "Department" means the department of agriculture of the state 2 of Washington.
- 3 (2) "Director" means the director of the department or his duly 4 authorized representative.
- 5 (3) "Person" means a natural person, individual, firm, partnership, 6 corporation, company, society, association, cooperative, two or more 7 persons having a joint or common interest, or any unit or agency of 8 local, state, or federal government.
- 9 (4) "Agricultural commodities," or "commodities," means: 10 Grains for which inspection standards have been established under the United States grain standards act; (b) pulses and similar commodities 11 for which inspection standards have been established under the 12 agricultural marketing act of 1946; and (c) other similar agricultural 13 products for which inspection standards have been established or which 14 15 have been otherwise designated by the department by rule for inspection 16 services or the warehousing requirements of this chapter.

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- (5) "Warehouse," also referred to as a public warehouse, means any elevator, mill, subterminal grain warehouse, terminal warehouse, country warehouse, or other structure or enclosure located in this state that is used or useable for the storage of agricultural products, and in which commodities are received from the public for storage, handling, conditioning, or shipment for compensation. The term does not include any warehouse storing or handling fresh fruits and/or vegetables, any warehouse used exclusively for cold storage, or any warehouse that conditions yearly less than three hundred tons of an agricultural commodity for compensation.
- (6) "Terminal warehouse" means any warehouse designated as a terminal by the department, and located at an inspection point where inspection facilities are maintained by the department and where commodities are ordinarily received and shipped by common carrier.
- 31 (7) "Subterminal warehouse" means any warehouse that performs an 32 intermediate function in which agricultural commodities are customarily 33 received from dealers rather than producers and where the commodities 34 are accumulated before shipment to a terminal warehouse.
 - (8) "Station" means two or more warehouses between which commodities are commonly transferred in the ordinary course of business and that are (a) immediately adjacent to each other, or (b) located within the corporate limits of any city or town and subject to the same transportation tariff zone, or (c) at any railroad siding or switching

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- 1 area and subject to the same transportation tariff zone, or (d) at one 2 location in the open country off rail, or (e) in any area that can be
- 3 reasonably audited by the department as a station under this chapter
- 4 and that has been established as such by the director by rule adopted
- 5 under chapter 34.05 RCW, or (f) within twenty miles of each other but
- 6 separated by the border between Washington and Idaho or Oregon when the
- 7 books and records for the station are maintained at the warehouse
- 8 located in Washington.
- 9 (9) "Inspection point" means a city, town, or other place wherein 10 the department maintains inspection and weighing facilities.
- 11 (10) "Warehouseman" means any person owning, operating, or 12 controlling a warehouse in the state of Washington.
- 13 (11) "Depositor" means (a) any person who deposits a commodity with
- 14 a Washington state licensed warehouseman for storage, handling,
- 15 conditioning, or shipment, or (b) any person who is the owner or legal
- 16 holder of a warehouse receipt, outstanding scale weight ticket, or
- 17 other evidence of the deposit of a commodity with a Washington state
- 18 licensed warehouseman or (c) any producer whose agricultural commodity
- 19 has been sold to a grain dealer through the dealer's place of business
- 20 located in the state of Washington, or any Washington producer whose
- 21 agricultural commodity has been sold to or is under the control of a
- 22 grain dealer, whose place of business is located outside the state of
- 23 Washington.
- 24 (12) "Historical depositor" means any person who in the normal
- 25 course of business operations has consistently made deposits in the
- 26 same warehouse of commodities produced on the same land. In addition
- 27 the purchaser, lessee, and/or inheritor of such land from the original
- 28 historical depositor with reference to the land shall be considered a
- 29 historical depositor with regard to the commodities produced on the
- 30 land.
- 31 (13) "Grain dealer" means any person who, through his place of
- 32 business located in the state of Washington, solicits, contracts for,
- 33 or obtains from a producer, title, possession, or control of any
- 34 agricultural commodity for purposes of resale, or any person who
- 35 solicits, contracts for, or obtains from a Washington producer, title,
- 36 possession, or control of any agricultural commodity for purposes of
- 37 resale.
- 38 (14) "Producer" means any person who is the owner, tenant, or
- 39 operator of land who has an interest in and is entitled to receive all

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- 1 or any part of the proceeds from the sale of a commodity produced on 2 that land.
- 3 (15) "Warehouse receipt" means a negotiable or nonnegotiable 4 warehouse receipt as provided for in Article 7 of Title 62A RCW.
- 5 (16) "Scale weight ticket" means a load slip or other evidence of 6 deposit, serially numbered, not including warehouse receipts as defined 7 in subsection (15) of this section, given a depositor on request upon 8 initial delivery of the commodity to the warehouse and showing the 9 warehouse's name and state number, type of commodity, weight thereof, 10 name of depositor, and the date delivered.
- 11 (17) "Put through" means agricultural commodities that are deposited in a warehouse for receiving, handling, conditioning, or 13 shipping, and on which the depositor has concluded satisfactory 14 arrangements with the warehouseman for the immediate or impending 15 shipment of the commodity.
- 16 (18) "Conditioning" means, but is not limited to, the drying or 17 cleaning of agricultural commodities.
- (19) "Deferred price contract" means a contract for the sale of 18 19 commodities that conveys the title and all rights of ownership to the 20 commodities represented by the contract to the buyer, but allows the seller to set the price of the commodities at a later date based on an 21 agreed upon relationship to a future month's price or some other 22 mutually agreeable method of price determination. Deferred price 23 24 contracts include but are not limited to those contracts commonly 25 referred to as delayed price, price later contracts, or open price 26 contracts.
- (20) "Shortage" means that a warehouseman does not have in his possession sufficient commodities at each of his stations to cover the outstanding warehouse receipts, scale weight tickets, or other evidence of storage liability issued or assumed by him for the station.
 - (21) "Failure" means:

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- 32 (a) An inability to financially satisfy claimants in accordance 33 with this chapter and the time limits provided for in it;
 - (b) A public declaration of insolvency;
- 35 (c) A revocation of license and the leaving of an outstanding 36 indebtedness to a depositor;
- 37 (d) A failure to redeliver any commodity to a depositor or to pay 38 depositors for commodities purchased by a licensee in the ordinary

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- 1 course of business and where a bona fide dispute does not exist between 2 the licensee and the depositor;
- 3 (e) A failure to make application for license renewal within sixty 4 days after the annual license renewal date; or
- 5 (f) A denial of the application for a license renewal.
- 6 (22) "Original inspection" means an initial, official inspection of 7 a grain or commodity.
- 8 (23) "Reinspection" means an official review of the results of an 9 original inspection service by an inspection office that performed that 10 original inspection service. A reinspection may be performed either on 11 the basis of the official file sample or a new sample obtained by the 12 same means as the original if the lot remains intact.
- 13 (24) "Appeal inspection" means, for commodities covered by federal 14 standards, a review of original inspection or reinspection results by 15 an authorized United States department of agriculture inspector. For 16 commodities covered under state standards, an appeal inspection means 17 a review of original or reinspection results by a supervising inspector. An appeal inspection may be performed either on the basis 18 19 of the official file sample or a new sample obtained by the same means 20 as the original if the lot remains intact.
- 21 (25) "Exempt grain dealer" means a grain dealer who purchases less 22 than one hundred thousand dollars of covered commodities annually from 23 producers, and operates under the provisions of RCW 22.09.060.
- 24 **Sec. 4.** RCW 22.09.050 and 1991 c 109 s 25 are each amended to read 25 as follows:
- Any application for a license to operate a warehouse shall be 26 27 accompanied by a license fee of ((four)) twelve hundred dollars for a terminal warehouse, ((three)) nine hundred dollars for a subterminal 28 29 warehouse, and ((one)) <u>three</u> hundred <u>and fifty</u> dollars for a country 30 warehouse. If a licensee operates more than one warehouse under one state license as provided for in RCW 22.09.030, the license fee shall 31 32 be computed either by multiplying the number of physically separated 33 warehouses within the station by the applicable terminal, subterminal, 34 or country warehouse license fee or the director may provide for a fee based upon the total licensed capacity of the licensee. 35 Capacity 36 <u>license fees to operate a warehouse shall be based on the total</u> 37 licensed capacity of the warehouse company and shall follow the

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following fee schedule:

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1	<u>Bushels of</u>	<u>Licensed Car</u>	pacity	<u>Fee</u>
2	<u>1</u>	<u>to</u>	500,000	\$ 500
3	<u>500,001</u>	<u>to</u>	1,000,000	1,000
4	1,000,001	<u>to</u>	1,500,000	<u>1,500</u>
5	1,500,001	<u>to</u>	2,000,000	2,000
6	2,000,001	<u>to</u>	2,500,000	2,500
7	2,500,001	<u>to</u>	3,000,000	3,000
8	3,000,001	<u>to</u>	3,500,000	3,500
9	<u>3,500,001</u>	<u>to</u>	4,000,000	4,000
10	4,000,001	<u>to</u>	4,500,000	4,500
11	<u>4,500,001</u>	<u>to</u>	5,000,000	<u>5,000</u>
12	<u>5,000,001</u>	<u>to</u>	<u>6,000,000</u>	<u>5,500</u>
13	<u>6,000,001</u>	<u>to</u>	7,000,000	<u>6,000</u>
14	7,000,001	<u>to</u>	8,000,000	<u>6,500</u>
15	8,000,001	<u>to</u>	9,000,000	7,000
16	9,000,001	<u>to</u>	10,000,000	<u>7,500</u>
17	10,000,001	and Over		8,000

18 If an application for renewal of a warehouse license or licenses is 19 not received by the department prior to the renewal date or dates 20 established by the director by rule, a penalty of fifty dollars for the 21 first week and one hundred dollars for each week thereafter shall be 22 assessed and added to the original fee and shall be paid by the applicant before the renewal license may be issued. This penalty does 23 24 not apply if the applicant furnishes an affidavit certifying that he has not acted as a warehouseman subsequent to the expiration of his or 25 26 her prior license.

27 **Sec. 5.** RCW 22.09.055 and 1991 c 109 s 26 are each amended to read 28 as follows:

An application for a license to operate as a grain dealer shall be accompanied by a license fee of ((three)) six hundred dollars unless the applicant is also a licensed warehouseman, in which case the fee for a grain dealer license shall be ((one)) three hundred ((fifty)) dollars. The license fee for exempt grain dealers ((exempted from bonding under RCW 22.09.060)) shall be ((seventy-five)) one hundred fifty dollars.

If an application for renewal of a grain dealer license is not received by the department before the renewal date or dates established

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by the director by rule, a penalty of fifty dollars for the first week and one hundred dollars for each week thereafter shall be assessed and added to the original fee and shall be paid by the applicant before the renewal license may be issued. This penalty does not apply if the applicant furnishes an affidavit certifying that he has not acted as a grain dealer after the expiration of his or her prior license.

- 7 **Sec. 6.** RCW 22.09.830 and 1989 c 354 s 52 are each amended to read 8 as follows:
- 9 (1) All moneys collected as ((warehouse license fees,)) fees for weighing, grading, and inspecting commodities and all other fees 10 collected under the provisions of this chapter, except as provided in 11 subsections (2) and (3) of this section, shall be deposited in the 12 grain inspection revolving fund, which is hereby established. 13 The 14 state treasurer is the custodian of the revolving fund. Disbursements 15 from the revolving fund shall be on authorization of the director of the department of agriculture. The revolving fund is subject to the 16 allotment procedure provided in chapter 43.88 RCW, but no appropriation 17 18 is required for disbursements from the fund. The fund shall be used for all expenses directly incurred by the ((commodity inspection 19 division)) grain inspection program in carrying out the provisions of 20 this chapter. The department may use so much of such fund not 21 exceeding five percent thereof as the director of agriculture may 22 23 determine necessary for research and promotional work, including rate 24 studies, relating to wheat and wheat products.
 - (2) All fees collected for the inspection, grading, and testing of hops shall be deposited into the hop inspection fund, which is hereby established, and shall be retained by the department for the purpose of inspecting, grading, and testing hops. Any moneys in any fund retained by the department on July 1, 1963, and derived from hop inspection and grading shall be deposited to this hop inspection fund. For the purposes of research which would contribute to the development of superior hop varieties and to improve hop production and harvest practices, the department may expend up to twenty percent of the moneys deposited in the hop inspection fund during the fiscal year ending June 30th immediately preceding the year in which such expenditures are to be made. No expenditures shall be made under the provisions of this subsection when the hop inspection fund is, or the director may reasonably anticipate that it will be, reduced below twenty thousand

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- 1 dollars as the result of such expenditure or other necessary
- 2 expenditures made to carry out the inspection, grading, and testing of
- 3 hops.
- 4 (3) All moneys collected by the grain warehouse audit program shall
- 5 be deposited by the director into the grain warehouse audit account,
- 6 hereby created within the agricultural local fund established in RCW
- 7 43.23.230. Moneys collected shall be used to support the grain
- 8 <u>warehouse audit program.</u>
- 9 **Sec. 7.** RCW 17.24.021 and 1991 c 257 s 6 are each amended to read 10 as follows:
- 11 (1) The director may intercept and hold or order held for
- 12 inspection, or cause to be inspected while in transit or after arrival
- 13 at their destination, all plants, plant products, bees, or other
- 14 articles likely to carry plant pests, bee pests, or noxious weeds being
- 15 moved into this state from another state, territory, or a foreign
- 16 country or within or through this state for plant and bee pests and
- 17 disease.
- 18 (2) The director may enter upon public and private premises at
- 19 reasonable times for the purpose of carrying out this chapter. If the
- 20 director be denied access, the director may apply to any court of
- 21 competent jurisdiction for a search warrant authorizing access to such
- 22 premises. The court may upon such application issue the search warrant
- 23 for the purposes requested.
- 24 (3) The director may adopt rules, including a schedule of fees for
- 25 <u>necessary inspections</u>, in accordance with chapter 34.05 RCW as may be
- 26 necessary to carry out the purposes and provisions of this chapter.
- 27 The fees shall, as closely as practicable, cover the costs of the
- 28 <u>services rendered.</u>
- 29 **Sec. 8.** RCW 16.57.020 and 1971 ex.s. c 135 s 1 are each amended to
- 30 read as follows:
- 31 The director shall be the recorder of livestock brands and such
- 32 brands shall not be recorded elsewhere in this state. Any person
- 33 desiring to register a livestock brand shall apply on a form prescribed
- 34 by the director. Such application shall be accompanied by a facsimile
- 35 of the brand applied for and a ((twenty-five)) thirty-five dollar
- 36 recording fee. The director shall, upon his or her satisfaction that
- 37 the application and brand facsimile meet(s) the requirements of this

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- 1 chapter and/or rules ((and regulations)) adopted hereunder, record such 2 brand.
- 3 **Sec. 9.** RCW 16.57.080 and 1993 c 354 s 5 are each amended to read 4 as follows:

The director shall establish by rule a schedule for the renewal of 5 registered brands. The fee for renewal of the brands shall be no less 6 7 than twenty-five dollars for each two-year period of brand ownership, except that the director may, in adopting a renewal schedule, provide 8 9 for the collection of renewal fees on a prorated basis and may by rule increase the registration and renewal fee for brands by no more than 10 11 fifty percent subsequent to a hearing under chapter 34.05 RCW and in 12 conformance with RCW 16.57.015. At least ((one hundred twenty)) sixty days before the expiration of a registered brand, the director shall 13 14 notify by letter the owner of record of the brand that on the payment 15 of the requisite application fee and application of renewal the 16 director shall issue the proof of payment allowing the brand owner exclusive ownership and use of the brand for the 17 subsequent 18 registration period. The failure of the registered owner to pay the 19 renewal fee by the date required by rule shall cause such owner's brand to revert to the department. The director may for a period of one year 20 following such reversion, reissue such brand only to the prior 21 22 registered owner upon payment of the registration fee and a late filing 23 fee to be prescribed by the director by rule subsequent to a hearing 24 under chapter 34.05 RCW and in conformance with RCW 16.57.015, for 25 renewal subsequent to the regular renewal period. The director may at the director's discretion, if such brand is not reissued within one 26 year to the prior registered owner, issue such brand to any other 27 28 applicant.

- 29 **Sec. 10.** RCW 16.57.350 and 1959 c 54 s 35 are each amended to read 30 as follows:
- The director((, but not his duly appointed representatives,)) may adopt such rules ((and/or regulations)) as are necessary to carry out the purposes of this chapter. It shall be the duty of the director to enforce and carry out the provisions of this chapter and/or rules ((and regulations)) adopted hereunder. No person shall interfere with the director when he or she is performing or carrying out duties imposed on

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- 1 him or her by this chapter and/or rules ((and regulations)) adopted
- 2 hereunder.
- 3 **Sec. 11.** RCW 15.04.400 and 1991 c 280 s 1 are each amended to read 4 as follows:
- 5 The history, economy, culture, and the future of Washington state
- 6 to a large degree all involve agriculture, which is vital to the
- 7 economic well-being of the state. The legislature finds that farmers
- 8 and ranchers are responsible stewards of the land, but are increasingly
- 9 subjected to complaints and unwarranted restrictions that encourage,
- 10 and even force, the premature removal of lands from agricultural uses.
- 11 The legislature further finds that it is now in the overriding
- 12 public interest that support for agriculture be clearly expressed and
- 13 that adequate protection be given to agricultural lands, uses,
- 14 activities, and operations.
- The legislature further finds that the department of agriculture
- 16 has a duty to promote and protect agriculture and its dependent rural
- 17 community in Washington state <u>however</u>, the duty shall not be construed
- 18 as to diminish the responsibility of the department to fully carry out
- 19 its assigned regulatory responsibilities to protect the public health
- 20 and welfare.
- 21 **Sec. 12.** RCW 15.04.402 and 1991 c 280 s 2 are each amended to read
- 22 as follows:
- 23 The department shall seek to enhance, protect, and perpetuate the
- 24 ability of the private sector to produce food and fiber. Additionally,
- 25 the department shall seek, consistent with its regulatory
- 26 responsibilities, to maintain the economic well-being of the
- 27 agricultural industry and its dependent rural community in Washington
- 28 state.
- 29 **Sec. 13.** RCW 15.36.110 and 1989 c 354 s 17 are each amended to
- 30 read as follows:
- 31 During each six months period at least four samples of milk and
- 32 cream from each dairy farm and each milk plant shall be taken on
- 33 separate days and examined in a laboratory approved by the director:
- 34 PROVIDED, That in the case of raw milk for pasteurization the director
- 35 may accept the results of nonofficial laboratories which have been
- 36 officially checked periodically and found satisfactory. Samples of

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other milk products may be taken and examined in a laboratory approved 2 by the director as often as he or she deems necessary. Samples of milk and milk products from stores, cafes, soda fountains, restaurants, and 3 4 other places where milk or milk products are sold shall be examined as often as the director may require. Bacterial plate counts, direct 5 microscopic counts, coliform determinations, phosphatase tests and 6 7 other laboratory tests shall conform to the procedures in the current 8 edition of "Standard Methods For The Examination Of Dairy Products," 9 recommended by the American public health association. Examinations 10 may include such other chemical and physical determinations as the director may deem necessary for the detection of adulteration. Samples 11 may be taken by the director at any time prior to the final delivery of 12 13 the milk or milk products. All proprietors of cafes, stores, restaurants, soda fountains, and other similar places shall furnish the 14 15 director, upon his request, with the name of all distributors from whom 16 their milk and milk products are obtained. Bio-assays of the vitamin 17 D content of vitamin D milk shall be made when required by the director in a laboratory approved by him or her for such examinations. 18

19 If two of the last four consecutive bacterial counts, somatic cell counts, coliform determinations, or cooling temperatures, taken on 20 separate days, exceed the standard for milk or milk products, the 21 director shall send written notice thereof to the person concerned. 22 This notice shall remain in effect so long as two of the last four 23 24 consecutive samples exceed the limit of the standard. An additional 25 sample shall be taken within twenty-one days of the sending of the 26 notice, but not before the lapse of three days, except sixty days must lapse before an official somatic cell count can be taken. The director 27 shall degrade or suspend the grade A permit whenever the standard is 28 29 again violated so that three of the last five consecutive samples 30 exceed the limit of the standard. A grade A permit shall subsequently be reinstated in notice status upon receipt of sample results that are 31 within the standard for which the suspension occurred. 32

In case of violation of the phosphatase test requirements, the cause of underpasteurization shall be determined and removed before milk or milk products from this plant can again be sold as pasteurized milk or milk products.

37 <u>NEW SECTION.</u> **Sec. 14.** Fees enacted in RCW 16.57.080, 16.57.090, 38 16.57.140, 16.57.220, 16.57.400, 16.57.410(1), 16.58.050, 16.58.130,

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- 1 16.65.030 (3) and (4), and 16.65.090 are hereby authorized as of the 2 effective date of this act.
- NEW SECTION. Sec. 15. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

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