

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 6254**

Chapter 322, Laws of 2002

57th Legislature  
2002 Regular Session

FRUIT AND VEGETABLE INSPECTION ACCOUNT

EFFECTIVE DATE: 7/1/02

Passed by the Senate March 11, 2002  
YEAS 41 NAYS 1

BRAD OWEN

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**President of the Senate**

Passed by the House March 6, 2002  
YEAS 93 NAYS 0

FRANK CHOPP

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**Speaker of the  
House of Representatives**

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6254** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK

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**Secretary**

Approved April 2, 2002

FILED

April 2, 2002 - 10:44 a.m.

GARY LOCKE

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**Governor of the State of Washington**

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 6254**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2002 Regular Session

**State of Washington                      57th Legislature                      2002 Regular Session**

**By** Senate Committee on Agriculture & International Trade (originally sponsored by Senators Rasmussen, Swecker, Shin and Spanel; by request of Department of Agriculture)

READ FIRST TIME 02/08/2002.

1            AN ACT Relating to the fruit and vegetable inspection account;  
2 amending RCW 15.17.230, 15.17.240, and 15.17.243; reenacting and  
3 amending RCW 43.79A.040; creating new sections; repealing RCW  
4 15.17.245; and providing an effective date.

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

6            **Sec. 1.** RCW 15.17.230 and 1998 c 154 s 15 are each amended to read  
7 as follows:

8            For the purpose of this chapter the state shall be divided into not  
9 less than ~~((three))~~ two fruit and vegetable inspection districts ~~((to~~  
10 ~~which the director may assign a district manager who shall supervise~~  
11 ~~and administer regulatory and inspection affairs of the districts))~~.  
12 The director, by rule, shall establish the boundaries of the districts  
13 and may adjust the boundaries for purposes of efficiency and economy.

14            **Sec. 2.** RCW 15.17.240 and 1998 c 154 s 16 are each amended to read  
15 as follows:

16            (1) ~~((The district managers shall collect the fees provided for~~  
17 ~~under this chapter and deposit them in the fruit and vegetable district~~  
18 ~~fund in any bank in the district approved for the deposit of state~~

1 funds. The fees shall be used to carry out the provisions of this  
2 chapter and no appropriation is required for disbursement from the  
3 fund. District managers shall approve payments from the fruit and  
4 vegetable inspection district funds to the fruit and vegetable  
5 inspection trust account in accordance with RCW 15.17.245. On a  
6 monthly basis, each district manager shall provide to the director a  
7 detailed account of the receipts and disbursements for the preceding  
8 month.

9 (2) Assessments and other fees approved by the director or  
10 authorized by law and collected by the district managers shall be  
11 deposited in the fruit and vegetable inspection district funds and  
12 distributed to the appropriate fund or agency.)) The fruit and  
13 vegetable inspection account is created in the custody of the state  
14 treasurer. All fees collected under this chapter must be deposited  
15 into the account. The director may authorize expenditures from the  
16 account solely for the implementation and enforcement of this chapter  
17 and any other expenditures authorized by statute or session law and  
18 applying specifically to the account. The account is subject to  
19 allotment procedures under chapter 43.88 RCW, but an appropriation is  
20 not required for expenditures.

21 The director shall establish and maintain an account within the  
22 fruit and vegetable inspection account for each district established  
23 under RCW 15.17.230.

24 (2) By August 1, 2004, and by August 1st of each even-numbered year  
25 thereafter, the director shall review the balance of each of the  
26 district accounts in the fruit and vegetable inspection account at the  
27 end of the previous fiscal year. If the balance in the district  
28 account exceeds the sum of the following: An amount equal to the total  
29 expenditures of the district served by that account for the last six  
30 months of that previous fiscal year; any budgeted capital expenditures  
31 from the account for the current fiscal year; and six hundred thousand  
32 dollars, the director shall temporarily and equally, on a percentage  
33 basis, reduce each of the fees accruing to the district account until  
34 such time that the district account has a balance equal to the amount  
35 of the total expenditures from the account for the last seven months of  
36 the previous fiscal year, at which time the fees shall be returned to  
37 the amounts before the temporary reduction. In making the reductions,  
38 the director shall attempt to reduce fees for a twelve-month period so  
39 as to apply the reductions to as many of the persons who annually pay

1 fees for services provided by the district. The temporary fee  
2 reductions shall be initially provided through the adoption of  
3 emergency rules. The emergency and subsequent rules temporarily  
4 reducing the fees are exempt from the requirements of RCW 34.05.310 and  
5 chapter 19.85 RCW. These fees shall be reinstated through the  
6 expiration of the rules temporarily reducing them and the authority to  
7 reinstate them is hereby granted.

8 NEW SECTION. Sec. 3. (1) Except as provided in subsection (2) of  
9 this section, any residual balance in any fruit and vegetable district  
10 fund on the effective date of this act shall be transferred to the  
11 fruit and vegetable inspection account established in RCW 15.17.240.  
12 Any such residual balance in the district fund for district number 2,  
13 as the district is constituted by rule on January 1, 2002, shall be  
14 transferred to the district account for the district containing Yakima  
15 county. Any such residual balance in the district fund for any other  
16 district shall be transferred to the district account for the district  
17 not containing Yakima county. Any residual balance in the fruit and  
18 vegetable inspection trust account on the effective date of this act  
19 shall be transferred to the fruit and vegetable inspection account  
20 established in RCW 15.17.240 and shall be equally distributed among the  
21 district accounts.

22 (2) The director shall review the residual balance of each of the  
23 district funds transferred to the fruit and vegetable inspection  
24 account under subsection (1) of this section.

25 (a) Except as provided in (b) of this subsection, if such a  
26 residual balance in the district fund exceeds an amount equal to the  
27 total of the expenditures of the district served by that fund for the  
28 last six months of fiscal year 2002, the director of agriculture shall  
29 temporarily reduce each of the inspection fees adopted by rule that are  
30 collected for inspection services conducted in the area served by the  
31 district as it is constituted on January 1, 2002, and shall use such  
32 excess amount to provide the fee reductions. The fees shall be  
33 temporarily reduced by twelve and one-half percent for that area until  
34 the excess amount remaining is equal to an average one month's  
35 expenditures from the district fund during the six months ending June  
36 30, 2002, at which time the fees charged shall return to the level of  
37 the fees adopted by rule. The amount equal to the average one month's

1 expenditures shall be deposited in the district account to which other  
2 portions of the residual balance from the district fund were deposited.

3 (b) A portion of the amount transferred to the account from the  
4 district fund from district number three, as the district is  
5 constituted by rule on January 1, 2002, shall be used exclusively to  
6 reduce the fees charged for inspection services in the area served by  
7 the district as the district is constituted by rule on January 1, 2002.  
8 The fees shall be temporarily reduced by nine and one-half percent for  
9 that area for a period of twelve months at which time the fees charged  
10 shall return to the level of the fees adopted by rule.

11 **Sec. 4.** RCW 15.17.243 and 2001 c 92 s 1 are each amended to read  
12 as follows:

13 The district manager for district two as defined in WAC 16-458-075  
14 is authorized to transfer two hundred thousand dollars from the fruit  
15 and vegetable district fund to the plant pest account within the  
16 agricultural local fund. The amount transferred is to be derived from  
17 fees collected for state inspections of tree fruits and is to be used  
18 solely for activities related to the control of Rhagoletis pomonella in  
19 district two. The transfer of funds shall occur by June 1, 1997. On  
20 June 30, 2003, any unexpended portion of the two hundred thousand  
21 dollars shall be (~~returned~~) transferred to the fruit and vegetable  
22 (~~district fund~~) inspection account and deposited in the district  
23 account for the district that includes Yakima county.

24 **Sec. 5.** RCW 43.79A.040 and 2001 c 201 s 4 and 2001 c 184 s 4 are  
25 each reenacted and amended to read as follows:

26 (1) Money in the treasurer's trust fund may be deposited, invested,  
27 and reinvested by the state treasurer in accordance with RCW 43.84.080  
28 in the same manner and to the same extent as if the money were in the  
29 state treasury.

30 (2) All income received from investment of the treasurer's trust  
31 fund shall be set aside in an account in the treasury trust fund to be  
32 known as the investment income account.

33 (3) The investment income account may be utilized for the payment  
34 of purchased banking services on behalf of treasurer's trust funds  
35 including, but not limited to, depository, safekeeping, and  
36 disbursement functions for the state treasurer or affected state  
37 agencies. The investment income account is subject in all respects to

1 chapter 43.88 RCW, but no appropriation is required for payments to  
2 financial institutions. Payments shall occur prior to distribution of  
3 earnings set forth in subsection (4) of this section.

4 (4)(a) Monthly, the state treasurer shall distribute the earnings  
5 credited to the investment income account to the state general fund  
6 except under (b) and (c) of this subsection.

7 (b) The following accounts and funds shall receive their  
8 proportionate share of earnings based upon each account's or fund's  
9 average daily balance for the period: The college savings program  
10 account, the Washington advanced college tuition payment program  
11 account, the agricultural local fund, the American Indian scholarship  
12 endowment fund, the basic health plan self-insurance reserve account,  
13 the Washington international exchange scholarship endowment fund, the  
14 developmental disabilities endowment trust fund, the energy account,  
15 the fair fund, the fruit and vegetable inspection account, the game  
16 farm alternative account, the grain inspection revolving fund, the  
17 juvenile accountability incentive account, the rural rehabilitation  
18 account, the stadium and exhibition center account, the youth athletic  
19 facility account, the self-insurance revolving fund, the sulfur dioxide  
20 abatement account, and the children's trust fund. However, the  
21 earnings to be distributed shall first be reduced by the allocation to  
22 the state treasurer's service fund pursuant to RCW 43.08.190.

23 (c) The following accounts and funds shall receive eighty percent  
24 of their proportionate share of earnings based upon each account's or  
25 fund's average daily balance for the period: The advanced right of way  
26 revolving fund, the advanced environmental mitigation revolving  
27 account, the city and county advance right-of-way revolving fund, the  
28 federal narcotics asset forfeitures account, the high occupancy vehicle  
29 account, the local rail service assistance account, and the  
30 miscellaneous transportation programs account.

31 (5) In conformance with Article II, section 37 of the state  
32 Constitution, no trust accounts or funds shall be allocated earnings  
33 without the specific affirmative directive of this section.

34 NEW SECTION. **Sec. 6.** If fruit and vegetable inspection districts  
35 that existed on January 1, 2002, under RCW 15.17.230 are consolidated  
36 or otherwise altered during 2002, the consolidation or alternation must  
37 not result in a reduction of inspection services or the availability or

1 quality of those services in any of the districts, but may result in a  
2 consolidation of administrative support for those services.

3 NEW SECTION. **Sec. 7.** RCW 15.17.245 (Fruit and vegetable  
4 inspection trust account) and 1998 c 154 s 19, 1987 c 393 s 2, 1986 c  
5 203 s 1, 1969 ex.s. c 76 s 1, & 1961 c 11 s 15.04.100 are each  
6 repealed.

7 NEW SECTION. **Sec. 8.** This act takes effect July 1, 2002.  
8 However, the director of the department of agriculture and the state  
9 treasurer may take actions before July 1, 2002, to permit the creation  
10 of the fruit and vegetable inspection account and the district accounts  
11 described in RCW 15.17.240 by July 1, 2002.

Passed the Senate March 11, 2002.

Passed the House March 6, 2002.

Approved by the Governor April 2, 2002.

Filed in Office of Secretary of State April 2, 2002.