

HOUSE BILL REPORT

HB 1126

As Amended by the Senate

Title: An act relating to seed testing and certification fees.

Brief Description: Allowing seed testing fees to increase in excess of the fiscal growth factor set out in chapter 43.135 RCW.

Sponsors: By Representatives Schoesler and Linville.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 2/7/03, 2/11/03 [DP];
Appropriations: 2/26/03, 3/4/03 [DP].

Floor Activity:

Passed House: 3/12/03, 94-1.
Senate Amended.
Passed Senate: 4/8/03, 46-0.

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| <p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">· Authorizes the Department of Agriculture to increase certain fees levied under the seed laws in excess of the fiscal growth factor under specified conditions. |
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HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass. Signed by 13 members: Representatives Linville, Chair; Rockefeller, Vice Chair; Schoesler, Ranking Minority Member; Holmquist, Assistant Ranking Minority Member; Kristiansen, Assistant Ranking Minority Member; Chandler, Eickmeyer, Grant, Hunt, McDermott, Orcutt, Quall and Sump.

Staff: Kenneth Hirst (786-7105).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 26 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cody, Conway, Cox, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Pflug,

Ruderman, Schual-Berke, Sump and Talcott.

Staff: Patricia Linehan (786-7178).

Background:

The state's seed laws were enacted to provide uniformity and consistency in the packaging of agricultural, vegetable, and flower seeds. The laws require the germination rate to be included on a required label for the seed and authorize the state's Department of Agriculture (WSDA) to establish by rule standards and label requirements for flower seed, vegetable seed, and agricultural seed. The latter includes grass, lawn, and turf seed. Among the authorities of the WSDA under the seed laws are those to sample and test seeds, to adopt and enforce rules for inspecting and certifying seeds and growing crops of seeds, and to establish fees and assessments for carrying out the seed laws.

Initiative 601 was approved by the voters at the November 1993 general election. A provision of the initiative states that no fee may increase in any fiscal year by a percentage in excess of the fiscal growth factor for that fiscal year without prior legislative approval. The Forest Products Commission is exempted from this limitation as are referendum approved assessments of agricultural commodity commissions and boards. The fiscal growth factor for a fiscal year is the average of the sum of inflation and population change for each of the prior three fiscal years.

The Agricultural Local Fund is in the custody of the State Treasurer; it is not subject to appropriation. Among the accounts in the Fund are those for: the commission merchant program, feed and fertilizer regulation, grain warehouse audits, livestock identification, nursery inspection, hop inspection, organic food certification, plant stock certification, and seed inspection and certification.

Summary of Bill:

The WSDA may increase fees established under the seed laws regarding laboratory testing and seed certification in excess of the fiscal growth factor. This authority is granted to the WSDA for increasing the fees only if it does so by rule during the fiscal year ending June 30, 2004. However, this authority is null and void if any of the moneys from any source that have been deposited in the Agricultural Local Fund are transferred to the General Fund, or authorized to be transferred to the General Fund, by legislation enacted during the first six months of this calendar year.

EFFECT OF SENATE AMENDMENT(S):

Strikes the provisions of the bill declaring that the authority provided by the bill to increase fees is null and void if monies from the Agricultural Local Fund are transferred to the General Fund by legislation enacted this year before July 1, 2003.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2003. However, the bill is null and void if certain transfers of funds to the General Fund take place during this fiscal year.

Testimony For: (Agriculture & Natural Resources) 1) The bill comes from an advisory committee from the seed industry. The industry is willing to pay increased fees to pay for the increases in the costs in the seed program. 2) The null and void clause reflects the idea that producers are not going to want to increase fees for the benefit of the General Fund. 3) Raising the fee is discretionary and the level of the fee has not been identified. The fiscal note represents what would be necessary to eliminate an annual deficit and add two seed analysts to the lab staff. 4) The seed industry expects significant improvement in efficiencies and service in exchange for any increase in the fees.

Testimony For: (Appropriations) This legislation was requested by the industry advisory group for the seed inspection certification program. The expectations of the seed industry are to sustain financial viability of the seed program, provide greater efficiency, reduce sample results turn-around time, provide for the hiring of two additional seed analyst positions, and to be financially viable to meet future industry requirements.

Testimony Against: (Agriculture & Natural Resources) None.

Testimony Against: (Appropriations) None.

Testified: (Agriculture & Natural Resources) Representative Schoesler, prime sponsor; Leslie Emerick and Greg Robinson, Washington State Department of Agriculture; and Brad Boswell, Washington/North Idaho Seed Association.

Testified: (Appropriations) Brad Boswell, Washington North Idaho Seed Association; and Leslie Emerick, Washington State Department of Agriculture.