

SENATE BILL REPORT

SB 5195

As Passed Senate, February 26, 2003

Title: An act relating to forwarding grain when an emergency storage situation exists.

Brief Description: Forwarding grain when an emergency storage situation exists.

Sponsors: Senators Swecker, Rasmussen, Sheahan, Jacobsen and Brandland; by request of Department of Agriculture.

Brief History:

Committee Activity: Agriculture: 1/30/03, 2/4/03 [DP].

Passed Senate: 2/26/03, 49-0.

SENATE COMMITTEE ON AGRICULTURE

Majority Report: Do pass.

Signed by Senators Swecker, Chair; Brandland, Vice Chair; Jacobsen, Rasmussen and Sheahan.

Staff: Bob Lee (786-7404)

Background: The state Warehouse Audit Act requires that companies which receive grains, dry peas, lentils and other specified agricultural commodities for storage be licensed and bonded. Warehouses licensed under the federal Grain Warehouse Act are exempt. The purpose of the act is to assure proper accounting for the agricultural commodities deposited in warehouses.

Warehouse receipts issued by the licensed warehouse company to the producer indicate the grade, amount and location of the stored commodity. If the grain or other commodity is moved to another location, a new warehouse receipt is to be issued showing the change.

In 1983, an exception was provided allowing grain covered by a warehouse certificate to be forwarded to another licensed warehouse for storage for up to 30 days without canceling and reissuing the warehouse certificate. This exception is allowed if an emergency storage situation appears to exist and the transfer is authorized by the Department of Agriculture pursuant to conditions established by rule.

Summary of Bill: The 30-day limitation on forwarding grain during a grain storage emergency, to other warehouses, without reissuing negotiable receipts for the grain, is eliminated.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Commodity Credit Corporation (CCC) has changed its practices and now allows its grain to be forwarded to another warehouse for up to 120 days. This bill would allow the department to adopt rules to be consistent with current CCC practices.

Testimony Against: None.

Testified: PRO: Leslie Emerick, WSDA; Heather Hansen, WA Assn. of Wheat Growers.