

---

**Agriculture & Natural Resources  
Committee**

---

**HB 2635**

**Brief Description:** Concerning the mandatory nonbinding arbitration provisions of the Washington state seed act.

**Sponsors:** Representatives Buys, Manweller, Lytton, Rossetti, Blake, Dent and Stanford; by request of Department of Agriculture.

**Brief Summary of Bill**

- Repeals the requirement that all disputes over seed sales with a value of greater than \$2,000 be submitted to non-binding arbitration prior to the aggrieved party being able to seek legal remedies in a court.

**Hearing Date:** 1/28/16

**Staff:** Jason Callahan (786-7117).

**Background:**

The Washington State Seed Act (Seed Act) serves to provide uniformity and consistency in the packaging of agricultural, vegetable, and flower seeds [RCW 15.49.005]. The stated purpose of the Seed Act is to facilitate the interstate movement of seeds, to protect consumers, and provide a dispute-resolution process.

Before a seed buyer may seek a legal action to remedy any damages valued at greater than \$2,000 caused by seeds that do not perform as represented by the required label, that buyer must first seek arbitration of his or her claim. This same arbitration requirement also applies to any counter claims raised by the party accused of misrepresenting his or her product. Information relating to this prerequisite to legal action must be provided on the actual seed label.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The state's Uniform Arbitration Act [chapter 7.04 RCW] applies if both parties agree to be bound by the outcome of the arbitration. However, if the parties do not agree to be bound by the outcome, then special Seed Act specific arbitration provisions apply. The outcome of the Seed Act specific arbitration is not binding on either party and either party can bring litigation if unhappy with the result.

The arbitration process begins with the aggrieved seed buyer filing a sworn claim with the Washington State Department of Agriculture (WSDA) and paying any filing fees. The seed seller then has 20 days to file any answer to the complaint. Once received, the Director of the WSDA (Director) must refer the complaint to an arbitration committee for investigation, findings, and recommendations.

The arbitration committee is appointed by the Director of the WSDA. It must have five members, including an employee of the WSDA. The other four members must be selected to create a balanced committee that does not favor either party. Prior to making the appointments, advice must be sought from the Washington State University and representatives of a seed dealer organization, an agricultural organization, and an organization representing seed purchasers. The members of the arbitration committee may not receive compensation for their service, but may have their travel expenses reimbursed.

The arbitration committee must make a full investigation and return its findings to the Director of the WSDA within 60 days. The arbitration committee must investigate the claim, examine the buyer and the seller, hold informal hearings, and may grow a representative sample of the seed in question. The report must include a final award and recommendations as to covering costs.

**Summary of Bill:**

The requirement that all disputes over seed sales with a value of greater than \$2,000 be submitted to non-binding arbitration managed by the WSDA prior to the aggrieved party being able to seek legal remedies in a court is repealed. All statutes that implement the arbitration process in the Seed Act are repealed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.