

HB 2073 - H AMD 43

By Representative Dent

ADOPTED 03/01/2017

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 16.67.035 and 2011 c 103 s 34 are each amended to
4 read as follows:

5 The legislature declares:

6 (1) That the history, economy, culture, and the future of
7 Washington state's agriculture involves the beef industry. ((In order
8 to develop and promote beef and beef products as part of an existing
9 comprehensive scheme to regulate those products the legislature
10 declares:

11 (1) That the Washington state beef commission is created;

12 (2) That it is vital to the continued economic well being of the
13 citizens of this state and their general welfare that its beef and
14 beef products be properly promoted by (a) enabling the beef industry
15 to help themselves in establishing orderly, fair, sound, efficient,
16 and unhampered marketing, grading, and standardizing of beef and beef
17 products they produce; and (b) working to stabilize the beef industry
18 by increasing consumption of beef and beef products within the state,
19 the nation, and internationally)) It is vital to the economy and to
20 citizens' health that the beef industry continue to progress and
21 thrive. The Washington state beef commission is part of an existing
22 comprehensive system to regulate and promote beef and beef products.

23 (2) That the focus of the beef commission shall include the
24 following responsibilities:

25 (a) The beef industry is to be promoted in a manner that
26 showcases the varied aspects and segments of the industry;

27 (b) Research, education, and programs related to health and
28 safety of beef are to be advanced in cooperation with the Washington
29 state department of agriculture, Washington State University, other
30 institutions of higher learning as appropriate, and other
31 governmental or nongovernmental organizations doing research on trade
32 or health issues;

1 (c) Support is to be provided to the beef industry in
2 establishing orderly, fair, sound, efficient, and unhampered
3 marketing, grading, and standardizing of beef and beef products; and

4 (d) Maintain efforts to increase consumption of beef and beef
5 products within the state, the nation, and internationally;

6 (3) That beef producers operate within a regulatory environment
7 that imposes burdens on them for the benefit of society and the
8 citizens of the state and includes restrictions on marketing
9 autonomy. Those restrictions may impair the beef producer's ability
10 to compete in local, domestic, and foreign markets;

11 (4) That it is in the overriding public interest that support for
12 the beef industry be clearly expressed, that adequate protection be
13 given to agricultural commodities, uses, activities, and operations,
14 and that beef and beef products be promoted individually, and as part
15 of a comprehensive industry to:

16 (a) Enhance the reputation and image of Washington state's
17 agriculture industry;

18 (b) Increase the sale and use of beef products in local,
19 domestic, and foreign markets;

20 (c) Protect the public by educating the public in reference to
21 ~~((the))~~ sustainable stewardship of cattle and the environment,
22 quality, care, and methods used in the production of beef and beef
23 products, and in reference to the various cuts and grades of beef and
24 the uses to which each should be put;

25 (d) Increase the knowledge of the health-giving qualities and
26 dietetic value of beef products; and

27 (e) Support and engage in programs or activities that benefit the
28 care and well-being of the cattle, and the production, handling,
29 processing, marketing, and uses of beef and beef products;

30 (5) That this chapter is enacted in the exercise of the police
31 powers of this state for the purpose of protecting the health, peace,
32 safety, and general welfare of the people of this state; and

33 (6) That the beef industry is a highly regulated industry and
34 that this chapter and the rules adopted under it are only one aspect
35 of the regulated industry. Other regulations and restraints
36 applicable to the beef industry include the:

37 (a) Beef promotion and research act of 1985, U.S.C. Title 7,
38 chapter 62;

39 (b) Beef promotion and research, 7 C.F.R., Part 1260;

40 (c) Agricultural marketing act, 7 U.S.C., section 1621;

- 1 (d) USDA meat grading, certification, and standards, 7 C.F.R.,
2 Part 54;
- 3 (e) Mandatory price reporting, 7 C.F.R., Part 57;
- 4 (f) Grazing permits, 43 C.F.R., Part 2920;
- 5 (g) Capper-Volstead act, U.S.C. Title 7, chapters 291 and 292;
- 6 (h) Livestock identification under chapter 16.57 RCW and rules;
- 7 (i) Organic products act under chapter 15.86 RCW and rules;
- 8 (j) Intrastate commerce in food, drugs, and cosmetics act under
9 chapter 69.04 RCW and rules, including provisions of 21 C.F.R.
10 relating to the general manufacturing practices, food labeling, food
11 standards, food additives, and pesticide tolerances;
- 12 (k) Washington food processing act under chapter 69.07 RCW and
13 rules;
- 14 (l) Washington food storage warehouses act under chapter 69.10
15 RCW and rules;
- 16 (m) Animal health under chapter 16.36 RCW and rules; and
- 17 (n) Weights and measures under chapter 19.94 RCW and rules.

18 **Sec. 2.** RCW 16.67.090 and 2011 c 336 s 436 are each amended to
19 read as follows:

20 The powers and duties of the commission shall include the
21 following:

22 (1) To administer and enforce the provisions of this chapter, and
23 do all things reasonably necessary to effectuate the purposes of this
24 chapter;

25 (2) To elect a chair and such other officers as it deems
26 advisable;

27 (3) To employ and discharge at its discretion a manager,
28 secretary, and such other personnel, including attorneys engaged in
29 the private practice of law subject to the review of the attorney
30 general, as the commission determines are necessary and proper to
31 carry out the purposes of this chapter, and to prescribe their duties
32 and powers and fix their compensation;

33 (4) To adopt, rescind, and amend rules, regulations, and orders
34 for the exercise of its powers hereunder subject to the provisions of
35 chapter 34.05 RCW, except that rule-making proceedings conducted
36 under this chapter are exempt from compliance with RCW 34.05.310, the
37 provisions of chapter 19.85 RCW, the regulatory fairness act, and the
38 provisions of RCW 43.135.055 when adoption of the rule is determined
39 by a referendum vote of the affected parties;

1 (5) To establish by resolution, a headquarters which shall
2 continue as such unless and until so changed by the commission. All
3 records, books, and minutes of the commission shall be kept at such
4 headquarters;

5 (6) To require a bond of all commission members and employees of
6 the commission in a position of trust in the amount the commission
7 shall deem necessary. The premium for such bond or bonds shall be
8 paid by the commission from assessments collected. Such bond shall
9 not be necessary if any such commission member or employee is covered
10 by any blanket bond covering officials or employees of the state of
11 Washington;

12 (7) To establish a beef commission revolving fund, such fund to
13 be deposited in a bank or banks or financial institution or
14 institutions, approved for the deposit of state funds, in which all
15 money received by the commission, except an amount of petty cash for
16 each day's needs not to exceed one hundred dollars, shall be
17 deposited each day or as often during the day as advisable; none of
18 the provisions of RCW 43.01.050 as now or hereafter amended shall
19 apply to money collected under this chapter;

20 (8) To prepare a detailed and explanatory budget or budgets
21 covering anticipated income and expenses to be incurred in carrying
22 out the provisions of this chapter during each fiscal year;

23 (9) To incur expense and enter into contracts and to create such
24 liabilities as may be reasonable for the proper administration and
25 enforcement of this chapter;

26 (10) To borrow money, not in excess of its estimate of its
27 revenue from the current year's contributions;

28 (11) To keep or cause to be kept in accordance with accepted
29 standards of good accounting practice, accurate records of all
30 assessments, expenditures, moneys, and other financial transactions
31 made and done pursuant to this chapter. Such records, books, and
32 accounts shall be audited at least every five years subject to
33 procedures and methods lawfully prescribed by the state auditor. Such
34 books and accounts shall be closed as of the last day of each fiscal
35 year. A copy of such audit shall be delivered within thirty days
36 after completion thereof to the director, the state auditor, and the
37 commission. On such years and in such event the state auditor is
38 unable to audit the records, books, and accounts within six months
39 following the close of the audit period it shall be mandatory that
40 the commission employ a private auditor to make such audit;

1 (12) To sue and be sued as a commission, without individual
2 liability for acts of the commission within the scope of the powers
3 conferred upon it by this chapter;

4 (13) To cooperate with any other local, state, or national
5 commission, organization, or agency, whether voluntary or established
6 by state or federal law, including recognized livestock groups,
7 engaged in work or activities similar to the work and activities of
8 the commission created by this chapter and make contracts and
9 agreements with such organizations or agencies for carrying on joint
10 programs beneficial to the beef industry and sustainable stewardship
11 of cattle;

12 (14) To accept grants, donations, contributions, or gifts from
13 any governmental agency or private source for expenditures for any
14 purpose consistent with the provisions of this chapter; and

15 (15) To operate jointly with beef commissions or similar agencies
16 established by state laws in adjoining states.

17 **Sec. 3.** RCW 16.67.091 and 2003 c 396 s 34 are each amended to
18 read as follows:

19 (1) The commission shall develop and submit to the director for
20 approval any plans, programs, and projects concerning the following:

21 (a) The establishment, issuance, effectuation, and administration
22 of appropriate programs or projects for the advertising and promotion
23 of its affected commodities; (~~and~~)

24 (b) The establishment, effectuation, and administration of
25 research, education, and programs related to health and safety of
26 cattle, beef, and beef products; and

27 (c) The establishment and effectuation of market research
28 projects, market development projects, or (~~both~~) industry specific
29 educational projects to the end that the marketing and utilization of
30 its affected commodities may be encouraged, expanded, improved, or
31 made more efficient.

32 (2) The director shall review the commission's advertising or
33 promotion program to ensure that no false claims are being made
34 concerning its affected commodities.

35 (3) The commission, prior to the beginning of its fiscal year,
36 shall prepare and submit to the director for approval its research
37 plan, its commodity-related education and training plan, and its
38 budget on a fiscal period basis.

1 (4) The director shall ~~((strive—to))~~ review and make a
2 determination of all submissions described in this section in a
3 timely manner.

4 **Sec. 4.** RCW 16.67.110 and 2000 c 146 s 4 are each amended to
5 read as follows:

6 The commission shall provide for programs designed to support
7 sustainable stewardship of cattle and the environment; increase the
8 consumption of beef; develop more efficient methods for the
9 production, processing, handling and marketing of beef; eliminate
10 transportation rate inequalities on feed grains and supplements and
11 other production supplies adversely affecting Washington producers;
12 properly identify beef and beef products for consumers as to quality
13 and origin. For these purposes the commission may:

14 (1) Provide for programs for advertising, sales promotion and
15 education, locally, nationally or internationally, for maintaining
16 present markets and/or creating new or larger markets for beef. Such
17 programs shall be directed toward increasing the sale of beef and
18 shall neither make use of false or unwarranted claims in behalf of
19 beef nor disparage the quality, value, sale or use of any other
20 agricultural commodity;

21 (2) Provide for research: (a) To develop and discover the health,
22 food, therapeutic, and dietetic value of beef and beef products
23 ((thereof)); and (b) to develop materials, education, and programs
24 related to health and safety of beef and beef products and the
25 sustainable stewardship of cattle and the environment;

26 (3) Make grants to research agencies for financing studies ~~((~~
27 ~~including funds for the purchase or acquisition of equipments and~~
28 ~~facilities, in problems of)) related to beef health, beef production,~~
29 ~~processing, handling, and marketing, which may include funds for the~~
30 ~~acquisition of equipment and facilities~~;

31 (4) Disseminate reliable information founded upon the research
32 undertaken under this chapter or otherwise available;

33 (5) Provide for rate studies and participate in rate hearings
34 connected with problems of beef production, processing, handling or
35 marketing; and

36 (6) Provide for proper labeling of beef and beef products so that
37 the purchaser and the consuming public of the state will be readily
38 apprised of the quality of the product and how and where it was
39 processed.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 16.67
2 RCW to read as follows:

3 (1) The budget required in RCW 16.67.090(8) must set forth the
4 complete and detailed financial program of the commission, showing
5 the revenues and expenditures of the commission. The budget must be
6 explanatory, describing how the funding is used to administer and
7 implement the commission's programs and priorities, and include the
8 reasons for salient changes from the previous fiscal period in
9 expenditure or revenue items. The budget must explain any major
10 changes to financial policy and contain an outline of the proposed
11 financial policies of the commission for the ensuing fiscal period
12 and describe performance indicators that demonstrate measurable
13 progress toward the commission's priorities.

14 (2) The budget must be sufficiently detailed to provide
15 transparency for the commission's actions on behalf of the industry.

16 (3) The commission must submit to the legislature a concise yet
17 detailed report of the commission's activities and expenditures after
18 the completion of each fiscal year."

19 Correct the title.

EFFECT: Adds safety of beef as one of the subjects on which the
beef commission is directed to conduct research and education. Adds
sustainable stewardship of cattle and the environment to the list of
subjects on which the beef commission is directed to engage in
educational, supporting, and promotional activities. Adds care and
well-being of cattle to the list of subjects to be addressed by
projects in which the beef commission is directed to engage. Requires
the beef commission to submit to the legislature a concise yet
detailed report of the commission's activities and expenditures at
the end of each fiscal year.

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