

# FINAL BILL REPORT

## SB 5075

---

---

C 33 L 17  
Synopsis as Enacted

**Brief Description:** Concerning dispute resolution between seed buyers and dealers.

**Sponsors:** Senators Takko and Warnick.

**Senate Committee on Agriculture, Water, Trade & Economic Development**  
**House Committee on Agriculture & Natural Resources**

**Background:** The Washington State Seed Act (Seed Act) serves to provide uniformity and consistency in the packaging of agricultural, vegetable, and flower seeds. The Washington State Department of Agriculture (WSDA) administers the Seed Act. The program conducts pre-harvest field inspections and laboratory testing of agricultural, vegetable, and flower seeds grown under the seed program. The program tests seed samples submitted by seed growers and companies to determine compliance with purity and germination standards, and to certify seeds for domestic and international marketing. The program provides for labeling of seeds in commerce.

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.

The arbitration process begins with the aggrieved seed buyer filing a sworn claim with the 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. The arbitration committee must have five members, including an employee of the WSDA. The Director must make these appointments so that the committee's membership is balanced between the interests of dealers and buyers. 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 arbitration committee must make a full investigation and return its findings to the Director within 60 days. The arbitration committee must investigate the claim, examine the buyer and the seller, hold

---

*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.*

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:** A seed buyer must seek mediation of the claim before the buyer may seek a legal action to remedy damages in excess of \$5,000. The claim shall be tolled from the date the mediation proceedings are instituted until ten days after the date the mediation is concluded. Mediation proceedings are instituted from the date the buyer mails the dealer the buyer's complaint with the request for mediation. All claims for \$5,000 or less may be commenced in either district court or small claims court. Mediation only applies to a dealer subject to this state's jurisdiction in relation to the buyer's claims.

To submit a claim for mediation, the buyer files a complaint, in the form of a declaration or affidavit, against the dealer. The answer from the dealer must agree to participate in mediation or state the dealer's grounds for refusing to engage in mediation. The parties are equally responsible for the mediator's fees unless otherwise agreed between the parties before retaining the mediator. The mediator must be selected by mutual agreement of the parties from qualified mediators. The mediation must take place within the part of the state where the buyer conducts operations unless otherwise agreed to by the parties. Certain provisions related to arbitration are repealed.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 23, 2017