

CERTIFICATION OF ENROLLMENT

ENGROSSED HOUSE BILL 2073

Chapter 256, Laws of 2017

65th Legislature
2017 Regular Session

BEEF COMMISSION--POWERS AND DUTIES--BUDGETS--REPORTS

EFFECTIVE DATE: 7/23/2017

Passed by the House March 1, 2017
Yeas 91 Nays 7

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 30, 2017
Yeas 49 Nays 0

CYRUS HABIB

President of the Senate

Approved May 8, 2017 11:28 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 2073** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 8, 2017

**Secretary of State
State of Washington**

ENGROSSED HOUSE BILL 2073

Passed Legislature - 2017 Regular Session

State of Washington

65th Legislature

2017 Regular Session

By Representatives Dent and Buys

Read first time 02/10/17. Referred to Committee on Agriculture & Natural Resources.

1 AN ACT Relating to the beef commission; amending RCW 16.67.035,
2 16.67.090, 16.67.091, and 16.67.110; and adding a new section to
3 chapter 16.67 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 16.67.035 and 2011 c 103 s 34 are each amended to
6 read as follows:

7 The legislature declares:

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

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

14 (2) That it is vital to the continued economic well-being of the
15 citizens of this state and their general welfare that its beef and
16 beef products be properly promoted by (a) enabling the beef industry
17 to help themselves in establishing orderly, fair, sound, efficient,
18 and unhampered marketing, grading, and standardizing of beef and beef
19 products they produce; and (b) working to stabilize the beef industry
20 by increasing consumption of beef and beef products within the state,
21 the nation, and internationally)) It is vital to the economy and to

1 citizens' health that the beef industry continue to progress and
2 thrive. The Washington state beef commission is part of an existing
3 comprehensive system to regulate and promote beef and beef products.

4 (2) That the focus of the beef commission shall include the
5 following responsibilities:

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

8 (b) Research, education, and programs related to health and
9 safety of beef are to be advanced in cooperation with the Washington
10 state department of agriculture, Washington State University, other
11 institutions of higher learning as appropriate, and other
12 governmental or nongovernmental organizations doing research on trade
13 or health issues;

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

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

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

24 (4) That it is in the overriding public interest that support for
25 the beef industry be clearly expressed, that adequate protection be
26 given to agricultural commodities, uses, activities, and operations,
27 and that beef and beef products be promoted individually, and as part
28 of a comprehensive industry to:

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

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

33 (c) Protect the public by educating the public in reference to
34 ~~((the))~~ sustainable stewardship of cattle and the environment,
35 quality, care, and methods used in the production of beef and beef
36 products, and in reference to the various cuts and grades of beef and
37 the uses to which each should be put;

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

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

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

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

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

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

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

15 (d) USDA meat grading, certification, and standards, 7 C.F.R.,
16 Part 54;

17 (e) Mandatory price reporting, 7 C.F.R., Part 57;

18 (f) Grazing permits, 43 C.F.R., Part 2920;

19 (g) Capper-Volstead act, U.S.C. Title 7, chapters 291 and 292;

20 (h) Livestock identification under chapter 16.57 RCW and rules;

21 (i) Organic products act under chapter 15.86 RCW and rules;

22 (j) Intrastate commerce in food, drugs, and cosmetics act under
23 chapter 69.04 RCW and rules, including provisions of 21 C.F.R.
24 relating to the general manufacturing practices, food labeling, food
25 standards, food additives, and pesticide tolerances;

26 (k) Washington food processing act under chapter 69.07 RCW and
27 rules;

28 (l) Washington food storage warehouses act under chapter 69.10
29 RCW and rules;

30 (m) Animal health under chapter 16.36 RCW and rules; and

31 (n) Weights and measures under chapter 19.94 RCW and rules.

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

34 The powers and duties of the commission shall include the
35 following:

36 (1) To administer and enforce the provisions of this chapter, and
37 do all things reasonably necessary to effectuate the purposes of this
38 chapter;

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

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

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

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

20 (6) To require a bond of all commission members and employees of
21 the commission in a position of trust in the amount the commission
22 shall deem necessary. The premium for such bond or bonds shall be
23 paid by the commission from assessments collected. Such bond shall
24 not be necessary if any such commission member or employee is covered
25 by any blanket bond covering officials or employees of the state of
26 Washington;

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

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

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

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

3 (11) To keep or cause to be kept in accordance with accepted
4 standards of good accounting practice, accurate records of all
5 assessments, expenditures, moneys, and other financial transactions
6 made and done pursuant to this chapter. Such records, books, and
7 accounts shall be audited at least every five years subject to
8 procedures and methods lawfully prescribed by the state auditor. Such
9 books and accounts shall be closed as of the last day of each fiscal
10 year. A copy of such audit shall be delivered within thirty days
11 after completion thereof to the director, the state auditor, and the
12 commission. On such years and in such event the state auditor is
13 unable to audit the records, books, and accounts within six months
14 following the close of the audit period it shall be mandatory that
15 the commission employ a private auditor to make such audit;

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

19 (13) To cooperate with any other local, state, or national
20 commission, organization, or agency, whether voluntary or established
21 by state or federal law, including recognized livestock groups,
22 engaged in work or activities similar to the work and activities of
23 the commission created by this chapter and make contracts and
24 agreements with such organizations or agencies for carrying on joint
25 programs beneficial to the beef industry and sustainable stewardship
26 of cattle;

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

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

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

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

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

1 (b) The establishment, effectuation, and administration of
2 research, education, and programs related to health and safety of
3 cattle, beef, and beef products; and

4 (c) The establishment and effectuation of market research
5 projects, market development projects, or (~~both~~) industry specific
6 educational projects to the end that the marketing and utilization of
7 its affected commodities may be encouraged, expanded, improved, or
8 made more efficient.

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

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

16 (4) The director shall (~~strive to~~) review and make a
17 determination of all submissions described in this section in a
18 timely manner.

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

21 The commission shall provide for programs designed to support
22 sustainable stewardship of cattle and the environment; increase the
23 consumption of beef; develop more efficient methods for the
24 production, processing, handling and marketing of beef; eliminate
25 transportation rate inequalities on feed grains and supplements and
26 other production supplies adversely affecting Washington producers;
27 properly identify beef and beef products for consumers as to quality
28 and origin. For these purposes the commission may:

29 (1) Provide for programs for advertising, sales promotion and
30 education, locally, nationally or internationally, for maintaining
31 present markets and/or creating new or larger markets for beef. Such
32 programs shall be directed toward increasing the sale of beef and
33 shall neither make use of false or unwarranted claims in behalf of
34 beef nor disparage the quality, value, sale or use of any other
35 agricultural commodity;

36 (2) Provide for research: (a) To develop and discover the health,
37 food, therapeutic, and dietetic value of beef and beef products
38 (~~thereof~~); and (b) to develop materials, education, and programs

1 related to health and safety of beef and beef products and the
2 sustainable stewardship of cattle and the environment;

3 (3) Make grants to research agencies for financing studies(~~(7~~
4 ~~including funds for the purchase or acquisition of equipments and~~
5 ~~facilities, in problems of)) related to beef health, beef production,
6 processing, handling, and marketing, which may include funds for the
7 acquisition of equipment and facilities;~~

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

10 (5) Provide for rate studies and participate in rate hearings
11 connected with problems of beef production, processing, handling or
12 marketing; and

13 (6) Provide for proper labeling of beef and beef products so that
14 the purchaser and the consuming public of the state will be readily
15 apprised of the quality of the product and how and where it was
16 processed.

17 NEW SECTION. Sec. 5. A new section is added to chapter 16.67
18 RCW to read as follows:

19 (1) The budget required in RCW 16.67.090(8) must set forth the
20 complete and detailed financial program of the commission, showing
21 the revenues and expenditures of the commission. The budget must be
22 explanatory, describing how the funding is used to administer and
23 implement the commission's programs and priorities, and include the
24 reasons for salient changes from the previous fiscal period in
25 expenditure or revenue items. The budget must explain any major
26 changes to financial policy and contain an outline of the proposed
27 financial policies of the commission for the ensuing fiscal period
28 and describe performance indicators that demonstrate measurable
29 progress toward the commission's priorities.

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

32 (3) The commission must submit to the legislature a concise yet
33 detailed report of the commission's activities and expenditures after
34 the completion of each fiscal year.

Passed by the House March 1, 2017.
Passed by the Senate March 30, 2017.
Approved by the Governor May 8, 2017.
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