

SENATE BILL REPORT

SB 5959

As Reported by Senate Committee On:
Ways & Means, February 26, 2019

Title: An act relating to livestock identification.

Brief Description: Revising livestock identification law.

Sponsors: Senator Warnick.

Brief History:

Committee Activity: Ways & Means: 2/25/19, 2/26/19 [DPS, w/oRec].

Brief Summary of First Substitute Bill

- Increases the number of members on the Livestock Identification Advisory Committee from six to twelve.
- Specifies certain provisions for brand record renewal.
- Creates a certified livestock inspector program.
- Changes certain types of fees for livestock inspection.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5959 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Lias, Palumbo, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wilson, L..

Minority Report: That it be referred without recommendation.

Signed by Senator Schoesler.

Staff: Jed Herman (786-7346)

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.

Background: The Washington State Department of Agriculture (WSDA) Animal Health Program is charged with protecting animals and the public from communicable animal diseases. Program officials monitor movement of animals across state lines, set requirements for reporting and controlling diseases, and conduct testing and investigations.

Livestock Inspection Program. The Livestock Inspection Program records brands, licenses feedlots and public livestock markets, and conducts surveillance and inspection of livestock at time of sale and upon out of state movement. Cattle and horses are inspected for permanent identification such as brands and ownership documents at public livestock markets; United States Department of Agriculture (USDA) slaughter plants; licensed, certified feedlots; at change of ownership; and prior to leaving the state.

Veterinarian Certification. The director of the WSDA (director) may enter into agreements with Washington state licensed and accredited veterinarians, who have been certified, to perform livestock inspections. Fees for livestock inspection must be collected by the veterinarian and remitted to the director. The director may adopt rules necessary to implement livestock inspections performed by veterinarians.

Inspection Fees. The fee for identified cattle is \$1.10 per head and \$1.60 per head for non-identified cattle. The inspection fee at cattle processing plants with 500 head or less daily capacity is \$4.00 per head. An annual inspection certificate is \$20.00 per head and \$60.00 for a lifetime certificate. The fee for inspections of cattle or horses performed by a WSDA inspector is the greater of the per head fee or time and mileage at \$17.00 per hour and a mileage rate set by the Office of Financial Management.

When livestock inspection is required at a public livestock market, the proprietor of the livestock market must collect and remit to the WSDA an inspection fee as provided by law. If the total fees collected for inspection in one day do not exceed \$100, the proprietor must pay \$100 for the inspection services.

Livestock Identification Advisory Committee. Established by the Legislature in 1993, the six-member Livestock Identification Advisory Committee provides advice about the livestock identification program to the director. The committee's six members are appointed by the director and include a beef producer; public livestock market representative; a horse owner; a cattle feeder; a dairy farmer; and a meat processor.

Electronic Cattle Transaction Reporting System. The electronic cattle transaction reporting system (ECTR) allows transactions involving unbranded dairy cattle that are individually identified through a WSDA-authorized identification method to be reported electronically to the WSDA. Electronically reported transactions include any sale, trade, gift, barter, or any other transaction that constitutes a change of ownership of unbranded dairy cattle that are individually identified through a WSDA-authorized identification method. The system is an alternative to the mandatory cattle inspections.

To electronically report transactions involving unbranded dairy cattle, a person needs an electronic cattle transaction reporting license issued by the WSDA. Licensees must transmit to the WSDA, within 24 hours of a qualifying transaction, a record of the transaction containing the unique identification of each individual animal included in the transaction as

assigned through a WSDA-authorized identification method. Licensees must keep accurate records of all transactions involving unbranded dairy cattle on the property, which must be made available for inspection by the WSDA upon request. Further, those records must be kept for at least three years.

Summary of Bill (First Substitute): Advisory Committee. The advisory committee is comprised of 12 members, two beef producers, two cattle feeders, two dairy producers, two livestock market owners, two meat processors, and two horse producers. The advisory committee must meet at least twice a year and a quorum of the committee consists of a majority of members. If a member has not been designated for a position described above, that position may not be counted for purposes of determining a quorum. A member may appoint an alternate who meets the same qualifications as the member to serve during the member's absence. The director may remove a member from the advisory committee if that member has two or more unexcused absences during a single calendar year.

Certified Veterinarians and Field Livestock Inspectors. Veterinarians and individuals who apply to be certified to perform livestock inspections must submit an application and complete training. WSDA must maintain a list of field livestock inspectors who are certified to perform livestock inspections, divided into at least six geographic regions. Training for veterinarians and individuals who apply to be field livestock inspectors includes:

- reading of printed brands;
- reading of brands or other marks on animals, including the location of brands on animals;
- reading of a microchip or other electronic official identification of cattle;
- completion of official documents; and
- review of satisfactory ownership documents.

The director may adopt fees to cover the costs associated with providing training. A veterinarian or a field livestock inspector shall not be considered an employee of WSDA. The director may suspend or revoke certification certified veterinarians and field livestock inspectors under certain circumstances.

Inspection Fees. Fees for livestock inspection are raised by 10 percent, with the exception of the inspection fee for unbranded and unidentified cattle, which is set at \$4.00. The inspection fee for identified cattle is \$1.21 and the inspection fee for horses is \$3.85. A call-out fee of \$20.00 is collected for inspections, including inspections at a processing plant, certified feed lot, or livestock market. The provision that WSDA may charge a time and mileage fee is removed. The annual license fee for a certified feed lot is changed to \$935.00. The annual fees for livestock markets are \$165, \$330, or \$495, depending on projected average gross sales of the market.

Additional Provisions. The application to transfer a brand must be accompanied by a notarized form and a \$25 fee. If the application is to transfer a legacy brand, a brand that has been in use for at least 25 years, then the application must be accompanied by \$100 recording fee. The director must establish a staggered brand record renewal and provides that the director may adopt an annual or biennial schedule if necessary.

The use of the ECTR System is expanded to all cattle. The ECTR system may be used to report the inspection of animals that are being moved out of state. A person may report a cattle ownership change by first obtaining an ECTR license from WSDA.

WSDA must submit a report to the Legislature and the advisory committee by September 1, 2020, and annually thereafter, that includes the amounts collected, expenditures, and recommendations for making the program more efficient, improving the program, or modifying the livestock inspection fees to cover the costs of the program.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Clarifies that a certified feed lot licensee must pay a call out fee of \$20 to WSDA for each day and for each inspector who performs inspections at each certified feed lot.
- Requires that WSDA include the financial status of the livestock inspection program, including a review of fees so that the program continues to be supported by fees in its annual report.
- Requires the report also be submitted to fiscal committees.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This is a complicated and difficult issue for the cattle producers and they are in favor of this type of solution. Branding is a longstanding important way to identify cattle definitively. This program has been in the red and the cattlemen have supported fees over the last couple sessions. There has not been a proposal able to survive the legislative process.

OTHER: WSDA appreciates the efforts to bring the industry together on this and find a workable path. Revenues need to be at least as high as the costs of running the program. The reason the fiscal note is indeterminate is because there are a lot of moving parts. There is a drafting error in section 8. If this is corrected the cattle feeders will support the bill.

Persons Testifying: PRO: Mark Streuli, Washington Cattlemen's Association; Cindy Alia, Cattle Producers of Washington.

OTHER: Jack Field, Washington Cattle Feeders Association; Evan Sheffels, WSDA.

Persons Signed In To Testify But Not Testifying: No one.