

# SENATE BILL REPORT

## SB 5074

---

---

As of January 20, 2025

**Title:** An act relating to the payment of turfgrass seed contracts.

**Brief Description:** Concerning the payment of turfgrass seed contracts.

**Sponsors:** Senators Boehnke, Chapman and Krishnadasan.

**Brief History:**

**Committee Activity:** Agriculture & Natural Resources: 1/20/25.

**Brief Summary of Bill**

- Exempts turfgrass seed production contracts and seed purchase contracts from a provision that it is unlawful for a commission merchant to include in a contract a requirement that the consignor give up all involvement in determining the time the product will be sold.
- Adds several definitions to the state's commission merchant laws for seed grower, seed producer, seed production contract, seed purchase contract, and turfgrass seed.

---

### SENATE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

**Staff:** Jeff Olsen (786-7428)

**Background:** With certain exceptions, no person may act as a commission merchant, dealer, broker, or cash buyer for agricultural commodities or as the agent of any of them, without being licensed by the Department of Agriculture under the state's commission merchant laws. A commission merchant is a person who:

- receives on consignment for sale or processing and sale from the consignor any agricultural product for sale on commission on behalf of the consignor;
- accepts any farm product in trust from the consignor for the purpose of resale;

---

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

- sells or offers for sale on commission any agricultural product; or
- in any way handles for the account as an agent of the consignor any agricultural product.

A dealer is a person other than a cash buyer who solicits, obtains, or contracts or agrees to obtain from a consignor the title, possession, or control of an agricultural product for resale, sale, or processing. A consignor is any producer, person, or their agent who sells, ships, or delivers to any commission merchant, dealer, cash buyer, or agent, any agricultural product for processing, handling, sale, or resale.

Agricultural products for purposes of the commission merchant's licensing program includes any unprocessed horticultural, vermicultural, viticultural, berry, poultry, grain, bee, or other agricultural products. Agricultural products also includes mint, hay and straw baled or prepared for market, and agricultural seed. Any disputes regarding responsibilities for seed clean out are governed exclusively by contracts between the producers of the seed and conditioners or processors of the seed.

**Summary of Bill:** A provision that makes it unlawful for a commission merchant to include in a contract a requirement that the consignor give up all involvement in determining the time the product will be sold does not apply to turfgrass seed production contracts and seed purchase contracts. A seed production contract is a written agreement between a seed producer and a seed dealer for the growing of turfgrass seed in this state. A seed purchase contract is a written agreement for a seed dealer to purchase turfgrass seed that has been grown by a seed grower or seed producer.

Several definitions are added to the state's commission merchant laws for seed grower, seed producer, seed production contract, seed purchase contract, and turfgrass seed. Turfgrass seed includes Kentucky bluegrass, perennial ryegrass, tall fescue, hard fescue, slender fescue, and creeping red fescue. Forage fescue and reclamation grass seed are excluded from the order of turfgrass seed.

**Appropriation:** None.

**Fiscal Note:** Requested on January 17, 2025.

**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:** PRO: Adding clear definitions will assist turf grass seed growers with their contracts to get paid in a timely manner. Oregon passed legislation on turfgrass seeds, and this would align with other states and create a level playing field. Farm loan delinquencies are increasing, and it is important that farmers get paid in a timely manner. The hope is that the legislation mirrors the legislation in Oregon and the timelines

can be worked out so that processors pay growers on a consistent timeline. Late pay in contracts results in payment occurring multiple years after the seed is turned over to the processor.

OTHER: The bill as written needs a little more work and the WSDA is happy to work on the bill so it is something the agency can implement.

**Persons Testifying:** PRO: Senator Matt Boehnke, Prime Sponsor.

OTHER: Alison Halpern, Washington Department of Agriculture.

**Persons Signed In To Testify But Not Testifying:** PRO: Travis Meacham, Washington Turfgrass Seed Association.