

SENATE BILL REPORT

SSB 5713

AS PASSED SENATE, MARCH 13, 1991

**Brief Description:** Making changes to license administration by the department of agriculture.

**SPONSORS:** Senate Committee on Agriculture & Water Resources (originally sponsored by Senators Barr and Hansen; by request of Department of Agriculture).

**SENATE COMMITTEE ON AGRICULTURE & WATER RESOURCES**

**Majority Report:** That Substitute Senate Bill No. 5713 be substituted therefor, and the substitute bill do pass.

Signed by Senators Barr, Chairman; Anderson, Vice Chairman; Bailey, Conner, Gaspard, Hansen, and Newhouse.

**Staff:** John Stuhlmiller (786-7446)

**Hearing Dates:** March 1, 1991

**HOUSE COMMITTEE ON AGRICULTURE & RURAL DEVELOPMENT**

**BACKGROUND:**

Agricultural Licenses: Currently, license renewal dates within the Department of Agriculture are specified as a single date by statute. The department experiences extreme workload peaks in the divisions responsible for handling licenses during a few specific times each year when licenses are renewed.

Certified Feed Lots: Certified feed lot licenses now expire June 30. Each year the department conducts audits of the cattle handled at certified feed lots. Following an audit, a fee of 10 cents per head of cattle handled at the feed lot must be paid to the department.

Commission Merchants: Commission merchant licenses now expire on January 1. If the renewal is late a penalty of \$10 is assessed.

Agricultural Warehouses: Agricultural warehouse license renewals and grain dealer licence renewals are due June 30. Currently, the schedule of handling, conditioning, and storage rates are to be filed with the department for the following license year and the rates may then be changed only with the approval of the department.

**SUMMARY:**

Agricultural Licenses: The licenses required for: vendors of milk; creameries, shipping stations, and other processors of milk and milk products; dairy technicians; custom slaughterers; custom meat facilities; weighmasters; weighers; pesticide applicators; pesticide dealer managers; and pest control consultants are modified to expire on a date to be set by the director. License fees are prorated to accommodate the staggering of expiration dates and application for renewal of all licenses is required prior to the expiration of each license.

Certified Feed Lots: The licenses required for certified feed lots are modified to expire on a date to be set by the director. License fees shall be prorated to accommodate the staggering of expiration dates, and application for renewal of the licenses is required prior to the expiration of each license.

Licensees of certified feed lots are required to immediately report any discrepancies between animals entering a certified feed lot and the brand inspection certificate accompanying the cattle.

The frequency of payment of the fee for each head of cattle handled by a feed lot is changed to monthly, and the director is not to renew a license if timely payments are not received.

Commission Merchants: No commission merchant shall conduct business until an effective bond or other security is filed with the director. The bonding requirement for all commission merchants is raised to \$10,000.

The director is authorized to set renewal dates for commission merchant licenses and to prorate fees to accommodate staggered renewals. The penalty for applications filed after the renewal date is increased from \$10 to 25 percent of the license.

Livestock dealers who place orders for cattle on behalf of meat packers may subtract their order buying activity from their annual volume of purchases reported to the director in determining their required bond coverage.

Commission merchants are required to obtain the written approval of a grower before placing the grower's agricultural product in a pooling arrangement, and contracts may not be written so as to require a consignor to give up all involvement in determining the time the consignor's products will be sold.

Commission merchants are required to promptly make available all records of the ongoing sales of the consignor's products and to keep records for three years.

Agricultural Warehouses: The licenses required to operate an agricultural warehouse and to operate as a grain dealer are

modified to expire on a date to be set by the director. License fees shall be prorated to accommodate the staggering of expiration dates, and application for renewal of all licenses is required prior to the expiration date of each license.

Warehouses may change their rate schedule by giving written notice to the director 30 days in advance of a planned rate change, and by posting the changes at the warehouse.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

The department needs the changes in this bill to ease its licensure work flow problems. The other changes will aid in the enforcement of the feed lot and commission merchant statutes. The bonding requirements need to be raised to \$10,000 for all commission merchants.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Mike Schwisow, Washington State Department of Agriculture (pro); Bruce Ellingson, Washington Association of Apple Growers (pro)

**HOUSE AMENDMENT(S):**

On the day final remittance and accounting are made by a commission merchant to a consignor in a pooling arrangement, the commission merchant is required to give the consignor a summary of the records available for that pool.