
SUBSTITUTE SENATE BILL 6393

State of Washington

52nd Legislature

1992 Regular Session

By Senate Committee on Agriculture & Water Resources (originally sponsored by Senator Bailey; by request of Department of Agriculture)

Read first time 02/06/92.

1 AN ACT Relating to milk producers and distributors and food
2 processors; amending RCW 69.07.040, 69.07.050, and 69.07.120; and
3 adding new sections to chapter 15.36 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 15.36 RCW
6 to read as follows:

7 After June 30, 1992, all producers of milk who offer grade A milk
8 for sale in the state shall obtain a permit from the department of
9 agriculture. There shall be a fifty dollar permit fee for producers
10 with annual production of three million six hundred thousand pounds or
11 less. The permit fee for producers who have an annual production of
12 more than three million six hundred thousand pounds shall be one
13 hundred dollars. For the purpose of this section, the annual
14 production shall be based upon the number of pounds produced during the

1 preceding twelve-month period. If the fee is for a new producer, the
2 new producer shall estimate the poundage to be produced in the initial
3 year of production.

4 The department shall assess an additional charge of fifteen dollars
5 per month for any permit fee that is delinquent for over thirty days.

6 The funds collected under this section shall be deposited into the
7 dairy inspection account within the agricultural local fund established
8 in RCW 43.23.230. The funds shall be used only to provide inspection
9 services for the dairy industry.

10 This section shall expire June 30, 1997.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 15.36 RCW
12 to read as follows:

13 There is levied on all milk processed in this state an assessment
14 not to exceed three-tenths of one cent per hundredweight. The director
15 shall determine, by rule, an assessment, that with contribution from
16 the general fund, will support an inspection program to maintain
17 compliance with the provisions of the national conference on interstate
18 milk shipment. All assessments shall be levied on the operator of the
19 first milk plant receiving the milk for processing. This shall include
20 processors that produce their own milk for processing and processors
21 that receive milk from other sources. All moneys collected under this
22 section shall be paid to the director by the twentieth day of the
23 succeeding month for the previous month's assessments. The director
24 shall deposit the funds into the dairy inspection account within the
25 agricultural local fund established in RCW 43.23.230. The funds shall
26 be used only to provide inspection services to the dairy industry. All
27 interest accrued on the account shall be credited to the dairy
28 inspection program. If the operator of a milk plant or a producer who
29 acts as a distributor fails to remit any assessments, that sum shall be

1 a lien on any property owned by him or her, and shall be reported by
2 the director and collected in the manner and with the same priority
3 over other creditors as prescribed for the collection of delinquent
4 taxes under chapters 84.60 and 84.64 RCW.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 15.36 RCW
6 to read as follows:

7 (1) There is created a dairy inspection program advisory committee.
8 The committee shall consist of nine members. The committee shall be
9 appointed by the director from names submitted by dairy producer
10 organizations or from handlers of milk products. The committee shall
11 consist of four members who are producers of milk or their
12 representatives, and four members who are handlers or their
13 representatives, and one member who must be a producer-handler.

14 (2) The purpose of this advisory committee is to assist the
15 director by providing recommendations regarding the dairy inspection
16 program, that are consistent with the pasteurized milk ordinance. The
17 advisory committee shall (a) review and evaluate the program including
18 the efficiency of the administration of the program, the adequacy of
19 the level of inspection staff, the ratio of inspectors to number of
20 dairy farm inspections per year, and the ratio of inspectors to
21 management employees; and (b) consider alternatives to the state
22 program, which may include privatization of various elements of the
23 inspection program.

24 (3) The committee shall meet as necessary to complete its work.
25 Meetings of the committee are subject to the open public meetings act.

26 (4) Not later than October 15, 1992, the advisory committee shall
27 issue a preliminary report of its findings to the dairy industry. The
28 committee shall solicit comments from the dairy industry which shall be
29 reflected in the committee's final report.

1 (5) Not later than December 1, 1992, the advisory committee shall
2 report to the agricultural committees of the house of representatives
3 and senate its recommendations for long-term structure and funding of
4 the dairy inspection program.

5 **Sec. 4.** RCW 69.07.040 and 1991 c 137 s 3 are each amended to read
6 as follows:

7 It shall be unlawful for any person to operate a food processing
8 plant or process foods in the state without first having obtained an
9 annual license from the department, which shall expire on a date set by
10 rule by the director. License fees shall be prorated where necessary
11 to accommodate staggering of expiration dates. Application for a
12 license shall be on a form prescribed by the director and accompanied
13 by ~~((a twenty-five dollar annual))~~ the license fee. The license fee is
14 determined by computing the gross annual sales for the accounting year
15 immediately preceding the license year. If the license is for a new
16 operator, the license fee shall be based on an estimated gross annual
17 sales for the initial license period.

18	<u>If gross annual sales are:</u>	<u>The license fee is:</u>
19	<u>\$0 to \$50,000</u>	<u>\$50.00</u>
20	<u>\$50,001 to \$500,000</u>	<u>\$100.00</u>
21	<u>\$500,001 to \$1,000,000</u>	<u>\$200.00</u>
22	<u>\$1,000,001 to \$5,000,000</u>	<u>\$350.00</u>
23	<u>\$5,000,001 to \$10,000,000</u>	<u>\$500.00</u>
24	<u>Greater than \$10,000,000</u>	<u>\$750.00</u>

25 Such application shall include the full name of the applicant for the
26 license and the location of the food processing plant he or she intends
27 to operate. If such applicant is an individual, receiver, trustee,

1 firm, partnership, association or corporation, the full name of each
2 member of the firm or partnership, or names of the officers of the
3 association or corporation shall be given on the application. Such
4 application shall further state the principal business address of the
5 applicant in the state and elsewhere and the name of a person domiciled
6 in this state authorized to receive and accept service of summons of
7 legal notices of all kinds for the applicant. The application shall
8 also specify the type of food to be processed and the method or nature
9 of processing operation or preservation of that food and any other
10 necessary information. Upon the approval of the application by the
11 director and compliance with the provisions of this chapter, including
12 the applicable regulations adopted hereunder by the department, the
13 applicant shall be issued a license or renewal thereof.

14 Licenses shall be issued to cover only those products, processes,
15 and operations specified in the license application and approved for
16 licensing. Wherever a license holder wishes to engage in processing a
17 type of food product that is different than the type specified on the
18 application supporting the licensee's existing license and processing
19 that type of food product would require a major addition to or
20 modification of the licensee's processing facilities or has a high
21 potential for harm, the licensee shall submit an amendment to the
22 current license application. In such a case, the licensee may engage
23 in processing the new type of food product only after the amendment has
24 been approved by the department.

25 If upon investigation by the director, it is determined that a
26 person is processing food for retail sale and is not under permit,
27 license, or inspection by a local health authority, then that person
28 may be considered a food processor and subject to the provisions of
29 this chapter.

1 **Sec. 5.** RCW 69.07.050 and 1991 c 137 s 4 are each amended to read
2 as follows:

3 If the application for renewal of any license provided for under
4 this chapter is not filed prior to the expiration date as established
5 by rule by the director, an additional fee of (~~fifteen dollars~~) ten
6 percent of the cost of the license shall be assessed and added to the
7 original fee and shall be paid by the applicant before the renewal
8 license shall be issued: PROVIDED, That such additional fee shall not
9 be charged if the applicant furnishes an affidavit certifying that he
10 or she has not operated a food processing plant or processed foods
11 subsequent to the expiration of his or her license.

12 **Sec. 6.** RCW 69.07.120 and 1967 ex.s. c 121 s 12 are each amended
13 to read as follows:

14 All moneys received by the department under the provisions of this
15 chapter shall be paid into the (~~state treasury~~) food processing
16 inspection account within the agricultural local fund established in
17 RCW 43.23.230 and shall be used solely to carry out the provisions of
18 this chapter and chapter 69.04 RCW.