

# HOUSE BILL REPORT

## HB 2019

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As Reported By House Committee On:  
Agriculture & Rural Development

**Title:** An act relating to the Washington state fruit commission.

**Brief Description:** Authorizing bonds for the fruit commission.

**Sponsors:** Representatives Rayburn and Kremen.

**Brief History:**

Reported by House Committee on:  
Agriculture & Rural Development, March 2, 1993, DP.

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### HOUSE COMMITTEE ON AGRICULTURE & RURAL DEVELOPMENT

**Majority Report:** Do pass. Signed by 9 members:  
Representatives Rayburn, Chair; Kremen, Vice Chair;  
Chandler, Ranking Minority Member; Schoesler, Assistant  
Ranking Minority Member; Foreman; Grant; Karahalios; Lisk;  
and Roland.

**Staff:** Kenneth Hirst (786-7105).

**Background:** The Washington State Fruit Commission was created to conduct advertising and educational campaigns and to conduct other activities regarding soft tree fruits. The tree fruits that are within the jurisdiction of the commission are the various varieties of Bartlett pears and all varieties of cherries, apricots, prunes, plums, peaches, and nectarines.

In 1987, the State Finance Committee was authorized to issue \$0.8 million in state general obligation bonds for a facility for the Apple Advertising Commission. The bonds were to be issued only after the treasurer of the Apple Commission certified that an adequate balance would be maintained in the commission's general fund to enable the commission to make the necessary bond payments during the life of the bonds.

The bond bill for the 1992 supplemental capital budget contained an authorization for \$0.9 million in state general obligation bonds for a facility for the state's Dairy Products Commission. The bonds were to be issued only after

the director of the Office of Financial Management approved the facility to be acquired using monies from the bonds and certified that an adequate balance would be maintained in the commission's general operating fund to make the bond payments for the life of the bonds.

**Summary of Bill:** The State Finance Committee is authorized to issue \$1.7 million in general obligation bonds of the state for the Fruit Commission. The bonds are for a new facility for the commission. The monies for the capital project are for the acquisition of land for the facility, for the design, construction, furnishing and equipping of the facility, and for the administrative costs of the project.

Monies from the sale of the bonds are to be transferred to a Fruit Commission Facility Account which is created in the state treasury. Monies in the account may be expended only upon appropriation and only for the project. Annually, the Finance Committee must identify the amount of the monthly payments that will be due for principal and interest. On the date that each payment is due, the commission must make the payment from the commission's general operating fund.

The bonds may be issued only after the director of the Office of Financial Management has approved the plans for the facility and has certified that an adequate balance will be maintained in the Fruit Commission's general operating fund to make the bond payments for the life of the bonds.

**Fiscal Note:** Requested March 2, 1993.

**Appropriation:** \$1.7 million is appropriated from the Fruit Commission Facility Account to the Fruit Commission for the biennium ending June 30, 1995. The appropriation is for the new facility.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** (1) The new interpretive center and offices of the Apple Commission draw many tourists daily. They provide excellent public education opportunities. (2) The Fruit Commission is actively seeking sites in the greater Yakima area.

**Testimony Against:** None.

**Witnesses:** Frank DeLong, Washington State Horticultural Association.