

HOUSE BILL REPORT

SSB 6463

As Passed House
March 2, 1994

Title: An act relating to the department of agriculture.

Brief Description: Revising department of agriculture administrative duties.

Sponsors: Senate Committee on Agriculture (originally sponsored by Senator M. Rasmussen; by request of Department of Agriculture).

Brief History:

Reported by House Committee on:
Revenue, February 23, 1994, DP;
Passed House, March 2, 1994, 71-25.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass. Signed by 16 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Anderson; Brown; Caver; Cothorn; Leonard; Romero; Rust; Silver; Talcott; Thibaudeau; Van Luven and Wang.

Staff: Keitlyn Watson (786-7310).

Background:

PESTICIDE REGISTRATION FEES Pesticides distributed or transported within Washington must be registered with the director of the Department of Agriculture. Certain pesticides not registered for general use may be registered if a special local need exists. The Department of Agriculture charges pesticide registration fees for general registrations but not for special local need registrations. Fee revenue is deposited into the general fund.

GRAIN WAREHOUSE AUDIT AND LICENSING Grain warehouses must be audited under federal law. Recently the use of grain inspection funds for warehouse auditing has been disallowed under federal law. The Department of Agriculture has been funding its warehouse audit and grain inspection tasks through its grain inspection revolving fund.

A grain warehouse operator is required to have a license issued by the Department of Agriculture. Current fees are: \$400 for a terminal warehouse, \$300 for a subterminal warehouse, and \$100 for a country warehouse. A licensee operating more than one warehouse under one license pays a fee representing a total of the individual fees. Fees are deposited into the grain inspection revolving fund, which is used for all expenses directly incurred by the commodity inspection division, including warehouse audits.

GRAIN DEALER LICENSE A grain dealer must obtain a grain dealer license from the Department of Agriculture. The application fee is \$300, unless the applicant is a licensed warehouse, in which case the fee is \$150. Grain dealers purchasing less per year than \$100,000 of covered commodities pay a fee of \$75.

LIVESTOCK BRANDS The Department of Agriculture registers livestock brands. An application for registration includes a \$25 recording fee. Renewal notices must be issued 120 days in advance of the required renewal date.

1993 FEE REAUTHORIZATION The 1993 Legislature authorized the Department of Agriculture to charge higher fees for livestock identification, public livestock markets and certified feed lots (SSB 5443). The fee ranges were set in statute, and the Department of Agriculture is authorized to set the actual fees within these ranges. The fees are deposited into the brand identification fund of the Agricultural Local Account. Most of the fees have not yet been increased by agency rule. Under the provisions of Initiative 601, passed by the voters in November of 1993 and effective on December 2, 1993, all agency fees increasing at a rate greater than the fiscal growth factor must receive legislative approval.

FLUID MILK ACT The Department of Agriculture issues permits for, and inspects routinely, dairy farms and milk plants. Laboratory tests of milk are conducted at the department or by an unofficial laboratory.

Summary of Bill:

PESTICIDE REGISTRATION FEES A registration fee for pesticides where a special local need exists is established. The application and renewal fees are each \$200 per label. The fee revenue is deposited into the Agricultural Local Fund and is to be used to assist in funding the department's special local needs registration activities, including a toxicologist. A late fee of \$25 is assessed on late payments.

GRAIN WAREHOUSE AUDIT AND LICENSING The grain warehouse operator license fees are increased from \$400 to \$1,200 for a terminal warehouse, from \$300 to \$900 for a subterminal warehouse, and from \$100 to \$350 for a country warehouse. Such fees are to be placed in the newly created Grain Warehouse Audit Account, to support the grain warehouse audit program.

GRAIN DEALER LICENSE Grain dealer license fees are increased to \$600. An exempt grain dealer license fee is increased from \$75 to \$150.

LIVESTOCK BRANDS Brand application recording fees are raised from \$25 to \$35 and renewal notice requirements are shortened from 120 days to 60 days.

1993 FEE REAUTHORIZATION Fees authorized under SSB 5443 are re-enacted, effective through June 30, 1997. Beginning July 1, 1997, all fees for public livestock market licenses, daily brand inspection, feed lot operator licenses, certified feed lots, and horse and cattle brand inspections are set in statute at a level 20 percent higher than the minimum fee currently authorized in statute. The statutory maximum fee is also removed effective July 1, 1997.

A task force on Livestock Brand Inspection is created, composed of two members from the House of Representatives, two members from the Senate, the director of the Department of Agriculture, and legislatively-appointed citizen representatives from the beef cattle producers, dairy cattle farmers, horse owners, cattle feeders, public livestock market operators, and meat processors. The task force is to report to the Legislature by December 1, 1994 on an effective, cost-efficient brand inspection program. The task force expires June 1, 1995.

FLUID MILK ACT The director of the Department of Agriculture is authorized to approve other laboratories for milk inspections.

REGULATORY RESPONSIBILITIES Language is added to clarify that the department's duty to promote agriculture should not compromise its duty to protect public health and welfare.

Fiscal Note: Available.

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

Testimony For: This is an industry-supported bill and will allow the Department of Agriculture to cover its costs. Enhancing dedicated fund balances will improve existing

programs and prevent the loss of others, such as the excellent warehouse audit program. Manufacturers support the fee increases.

Testimony Against: None.

Witnesses: (all pro): Representative Margaret Rayburn, prime sponsor (companion measure); Jim Jesernig, Department of Agriculture; Phil Isaak, Washington Association of Wheatgrowers; Kent Lebsack, Washington Cattlemen's Association; Mike Schwisow, Washington Cattle Feeders Association; Enid Layes, Washington State Horticultural Association and Washington Agribusiness Coalitions; Dan Coyne, Washington State Dairy Federation and Council of Farmer Corps.; and John Schlueter, Pacific Northwest Grain and Feed Association.