

SENATE BILL REPORT

SHB 1429

AS REPORTED BY COMMITTEE ON AGRICULTURE, MARCH 25, 1993

Brief Description: Exempting licensed domestic wineries from commission merchant requirements.

SPONSORS: House Committee on Agriculture & Rural Development (originally sponsored by Representatives Rayburn, Chandler, Orr and Lisk)

HOUSE COMMITTEE ON AGRICULTURE & RURAL DEVELOPMENT

SENATE COMMITTEE ON AGRICULTURE

Majority Report: Do pass.

Signed by Senators M. Rasmussen, Chairman; Loveland, Vice Chairman; Barr, Newhouse, and Snyder.

Staff: Bob Lee (786-7404)

Hearing Dates: March 25, 1993

BACKGROUND:

Domestic wineries that purchase wine grapes from growers are required to be licensed and bonded with the Department of Agriculture under the Commission Merchants Act. The Commission Merchants Act was enacted in 1959 to provide an increased degree of assurance that farmers would be paid by buyers or persons arranging the sale of specified agricultural products.

During the 1980's, the "processor lien" statutes were enacted to also provide an increase in the degree of protection that farmers are paid for crops delivered to processors. The processor lien statute established a first priority statutory lien on specified agricultural commodities, including viticultural products, which continues until 20 days after payment for product is due and remains unpaid.

SUMMARY:

A domestic winery who purchases agricultural commodities solely for its own needs is exempt from regulation under the commission merchants laws.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

Contracts between growers and wineries provide better protection than the current bonding requirements.

TESTIMONY AGAINST: None

TESTIFIED: Victoria Chiechi, WA Wine Institute