

HOUSE BILL REPORT

SHB 2089

As Amended by the Senate

Title: An act relating to identification of livestock.

Brief Description: Identifying livestock.

Sponsors: By House Committee on Agriculture & Ecology (originally sponsored by Representatives Chandler and Honeyford).

Brief History:

Committee Activity:

Agriculture & Ecology: 3/3/97 [DPS].

Floor Activity:

Passed House: 3/13/97, 66-29.

Senate Amended.

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Chandler, Chairman; Parlette, Vice Chairman; Schoesler, Vice Chairman; Anderson, Assistant Ranking Minority Member; Cooper; Delvin; Mastin and Sump.

Minority Report: Without recommendation. Signed by 3 members: Representatives Linville, Ranking Minority Member; Koster and Regala.

Staff: Kenneth Hirst (786-7105).

Background: The state's livestock identification program is administered by the Washington State Department of Agriculture (WSDA). The program includes the registration and recording of brands, the designation of mandatory brand inspection points for cattle and horses, and the inspection of cattle and horses for brands and the collection of brand inspection fees, the issuance of certificates identifying individual horses or cattle, and the registration of individual identification symbols for horses. Until July 1, 1997, the WSDA may set the fee for inspecting cattle at a mandatory inspection point at not less than 50 cents per head and not more than 75 cents per head. Beginning July 1, 1997, the fees are set by statute at 60 cents per head. For inspecting horses at these points, the WSDA may set a fee of not less than \$2 per

head and not more than \$3 per head until July 1, 1997; thereafter, the fee may be not more than \$2.40 per head.

Certified Feedlots. The WSDA also administers a licensing program for feedlots. With certain exceptions, cattle entering or re-entering a certified feedlot must be inspected for brands. Until July 1, 1997, the WSDA may charge a fee of not less than \$500 and not more than \$750 for the annual licensing of a certified feedlot. Beginning July 1, 1997, the licensing fee is set by statute at \$600. A person operating a certified feedlot must also pay a fee for each head of cattle handled through the feedlot. Until July 1, 1997, the WSDA may set the fee at not less than 10 cents per head and not more than 15 cents per head. Beginning July 1, 1997, the fee is set by statute at 12 cents per head.

Summary of Bill: A state Livestock Identification Board is created. The board is composed of five members appointed by the Governor. It includes one beef producer, one cattle feeder, one dairy producer, one livestock market owner, and one horse producer. The appointments must be made from nominations submitted by organizations representing these groups statewide. Members serve three year terms, although three of the initial appointments are for two-year terms to provide staggered terms of office. Members of the board may receive up to \$50 per day in compensation and are to receive reimbursement for their travel expenses when carrying out duties as members of the board.

The administration of the state's livestock identification program is transferred to the board. The administration of the state's certified feedlot licensing program is also transferred to the board. The officers and employees of the board are exempted from the state civil service law. Contracts for livestock identification are exempted from a chapter of state laws governing personal service contracts. The board may contract with another entity for registration and recording services or for investigation or inspection work and may hire staff. The board may contract with the Director of Agriculture or a private or nonprofit corporation or company for recording livestock brands. It may contract with the latter to do livestock inspection or investigation work.

A livestock identification account is created in the state treasury. Monies collected under the livestock identification and feedlot certification programs are deposited in the account and used by the board for the program. The account is not subject to appropriation.

The fee for inspecting cattle at mandatory inspection points will not be reduced to 60 cents per head in July. It is set at 75 cents per head. Similarly, the fee for inspecting horses at mandatory inspection points is set at \$3 per head. The annual licensing fee for operating a certified feedlot is increased to \$2000 from \$600. A fee on each head of cattle handled through a certified feedlot is repealed. The facility or livestock pen

at a certified feedlot for carrying out brand inspection must no longer be approved by the state as to location and construction.

EFFECT OF SENATE AMENDMENT(S): A state livestock identification board is no longer created and administrative authorities regarding livestock identification are no longer transferred from the Department of Agriculture. The current livestock identification advisory board is required to meet once every two months to receive a program status and financial briefing from the department and the department is required to consult the advisory board before hiring or dismissing supervisory personnel.

Rather than retaining indefinitely at 75 cents per head of cattle and \$3.00 per head of horses the fees authorized for inspecting brands at mandatory inspection points, the current law's reduction of those fees to 60 cents per head and \$2.40 per head respectively on July 1, 1997, is now postponed by one year.

Rather than increasing the annual licensing fee for a certified feed lot to \$2000, the current law's reduction of that fee on July 1, 1997, to \$600 from a maximum authorized level of \$750 is now postponed by one year.

Rather than repealing a fee on each head of cattle handled through a certified feed lot, the current law's reduction of that fee on July 1, 1997, is now postponed by one year. The current law's reduction on July, 1, 1997, of the annual licensing fees for public livestock markets and of the maximum daily total of fees that may be charged for brand inspection at such markets is now postponed by one year.

Appropriation: None.

Fiscal Note: Requested on February 26, 1997.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1997.

Testimony For: (1) For a livestock identification program to work properly, all five of the groups involved must cooperate. These are all represented on the board. (2) Livestock identification is crucial to raising cattle in open range areas. It is needed to separate one owner's cattle from those of others and to prevent theft. Rustling is a threat even today. (3) Livestock identification is also crucial to moving cattle in interstate and foreign commerce. In state, cattle must be brand-inspected or they cannot enter a certified feedlot. (4) The department has had problems administering this program within budget; the bill changes the administrative entity. (5) There has been poor communication between the department and the livestock industry. Morale within the department is low. It is time for a change. (6) The bill will allow the industry to move to methods of identification other than brands.

Testimony Against: (1) The program has had many problems but is now operating in the black for the first time in a long time. (2) Removing the program from the department will reduce efficiencies in coordinating the program with the animal health programs of the state veterinarian and with the commission merchant licensing and investigation activities of the department. (3) The program should not be given to another state entity. It should be privatized. (4) Dairy calves less than three months of age should be exempted from the identification program.

Testified: Representative Honeyford; Neil Kayser, Washington Cattlemen's Association; Rick Vande Gracie and Jim Miles, Washington Cattle Feeders Association; Eddie Armstrong, Washington State Horse Council; Mary Burke and Bruce Cameron, Washington Cattlemen's Association; Bill Bennett, Franklin County Washington Cattlemen's Association; and Robert Dickey, Washington Cattlemen's Association (in favor). Mary Beth Lang, Department of Agriculture; and Robert VanWeerdhuzen (opposed). Chris Cheney, Washington Dairy Federation (requested an exemption for dairy calves).