

SENATE BILL REPORT

ESSB 6204

As Passed Senate, February 17, 1998

Title: An act relating to livestock identification.

Brief Description: Increasing the efficiency of registering and identifying livestock.

Sponsors: Senate Committee on Agriculture & Environment (originally sponsored by Senator Morton).

Brief History:

Committee Activity: Agriculture & Environment: 1/27/98, 2/5/98 [DPS].
Passed Senate, 2/17/98, 42-6.

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

Majority Report: That Substitute Senate Bill No. 6204 be substituted therefor, and the substitute bill do pass.

Signed by Senators Morton, Chair; Swecker, Vice Chair; Newhouse and Oke.

Staff: Paul Mabrey (786-7412)

Background: Washington's livestock identification program is administered by the Department of Agriculture. The department maintains official recordings of livestock brands and inspects livestock at mandatory inspection points to verify ownership. The department licenses certified feed lots as well as bonded public livestock markets. The livestock identification program is funded entirely by fees paid by the livestock industry.

Since 1992, the livestock identification program experienced a negative account balance which was addressed by increasing fees for service in 1993 and 1994. The program improved its financial condition over the ensuing four years, but fee increases and administrative adjustments have not resolved the negative balance which, in 1997, was approximately \$92,000. The negative balance is expected to increase in 1998 due to a 3 percent salary adjustment, inflationary increases, and a legislatively mandated 20 percent rollback in most fees effective July 1, 1998.

The three major functions of the program, brand maintenance and recording, livestock inspection, and enforcement of livestock identification and inspection rules, has been carried out by the department exclusively.

Summary of Bill: A livestock identification board is established. The board consists of five members, appointed by the Governor, including one beef producer, one cattle feeder, one dairy producer, one livestock market owner, and one horse producer.

The board is responsible for the administration of the livestock identification program including review and registration of brands, administration of inspection and enforcement

activities, employment of personnel, fee setting and holding hearings and adopting rules necessary to administer the program. Authority is given for the board to contract with the Department of Agriculture for livestock inspection, investigation work, or brand registration. The board may also contract with county sheriffs to provide additional livestock identification investigators. The board is directed to provide for a central location in the state for its administrative offices.

The State Patrol is designated as the law enforcement agency responsible for inspection of all livestock at established border crossings between this state and any other state or country. The sheriff of each county is designated as the law enforcement agency responsible for investigation and enforcement of livestock theft. High priority is given to the investigation of livestock theft.

A Washington State livestock identification account is established wherein all moneys collected or received from registration, inspection, or enforcement is deposited.

The brand registration fee is set at \$70 for a five-year registration period. A one-time brand registration fee of \$70 is imposed on all owners of registered brands whose registration is not already due for renewal in 1998.

The board must not require inspection for any individual private sale of unbranded dairy breed milk production cattle involving 15 head or less.

No inspection fees are specified, but the board may, upon unanimous vote, cause a charge to be made for livestock inspection of cattle and horses. Such fees are based on a fee schedule not to exceed the actual net cost to the board for the inspection service.

Horses are not required to be accompanied by a livestock inspection certificate when they are moved out of the state. However the board may, by rule after public hearing, designate any point for mandatory livestock inspection of horses passing through that point.

The board certifies and issues licenses to feedlots. The fee for certified feedlot license is \$200. Audits of feedlots are made permissive.

The board is responsible for livestock inspection at livestock saleyards. The director of Agriculture retains the administrative responsibilities of saleyards. Saleyard license fees remain unchanged.

There is established a \$1 per head fee for all cattle and horses that are slaughtered by custom slaughtering establishments and slaughter plants where United States Department of Agriculture maintains meat inspection. Additionally, saleyards must collect a \$1 fee from the seller of cattle or horses sold to nonresident buyers or buyers taking cattle or horses out of state for slaughter within 30 days. All of these collected fees are remitted to the board for deposit in the livestock identification account.

Appropriation: None.

Fiscal Note: Requested on January 15, 1998.

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

Testimony For: There is support for the concept of livestock identification program. The horse industry supports voluntary basis of inspection for horses. Compliance is currently low because horses are not checked at border crossings or anywhere else other than the sale yard. This is unnecessary for horses because it is redundant in many ways « horses are required to have a health certificate and a coggins test before leaving or entering the state. The majority of horses are not branded. The dairy industry is supportive. Traceback is accomplished in other ways in the dairy business.

Testimony Against: The beef cattle industry is opposed to voluntary testing stating that for the program to work, all cattle must be inspected. Fees should be the same for all. Without mandatory inspection, Washington's credibility is compromised and would face loss of federal programs. Banks will not loan money to businesses who cannot prove ownership. The bill is in conflict with the Federal P & S Act. Concerns were voiced about animal health issues with no mandatory inspection. Range permits would be compromised without brand inspection. Mandatory brand inspection results in a deterrent to theft. Concerns were expressed about legal liability of inspectors and whether they would be considered employees of the state or private contractors. Many expressed a desire for a commission to handle livestock ID.

Testified: Greg Hanon, Washington State Veterinary Medical Association; Everett Macomber, Washington State Veterinary Medical Association practitioner; Rick Williams, WSVMA, Washington State Horse Council; Mary Beth Long, WSDA; Mike Schwisow, Washington Cattle Feeders Association (pro); Ed Armstrong, WSHC; Chris Cheney, Washington State Dairy Federation (pro); Neil Kayser, WCA (con); Mary Burke, president, Washington Cattlemen's Association (con); Debbie Pabst, Washington TB Breeders Association; E.E. Heindselman, WCA (con); Bruce Cameron, rancher (con); Jim Sizemore, rancher (con); Rick Nelson, Rod Nuckolls, Washington Cattlemen's Association (con); Art Stoltman, Washington Cattlemen's/Livestock Marketing Association (con); Ron Worsham, Mike Wieseler, Franklin County Cattlemen (con). [All CON testifiers were against the original bill.]

House Amendment(s): The House version provides for a six-member board, adding representation from the packer industry. The director is also a board member but is non-voting.

The House version mandates that the brand inspection and enforcement program must be contracted to the department until the year 2004.

The gift provision is eliminated from the House amendment.

The provisions which impute responsibility for enforcement on the local sheriff and State Patrol is eliminated in the House amendment.

The fee for brand registration and renewal is \$70 for two years in the House amendment versus \$70 for five years in the Senate amendment

The brand reissue fee is \$20 in the House amendment versus \$15 in the Senate amendment.

A provision for heritage brands is established in the House amendment.

Horses are included in the program as a mandate in the House amendment versus permissive in the Senate bill.

The House amendment provides for an exemption for male calves less than 30 days old.

The House amendment sets a default fee structure of \$.75 per head - cows and \$3 per head - horses. The amendment sets a range within which the board may set fees by unanimous vote. The range is \$.75 - \$1 for cows and \$3 - \$5 for horses.

The fee for feedlot certification is set at \$750 in the House amendment versus \$200 in the Senate bill.

The House amendment provides for mandatory feedlot audits, whereas the Senate amendment makes the audit permissive.

The House amendment establishes a \$.12/head fee for livestock handled by the feedlot.

The House amendment transfers administration and licensing of saleyards to the board, whereas the Senate bill retains these functions with the department.

The \$1 slaughter fees and nonresident fees are eliminated in the House amendment.

The House amendment contains a null and void clause.