

HOUSE BILL REPORT

SB 6019

As Reported By House Committee On:

Agriculture & Ecology

Title: An act relating to crop credit associations.

Brief Description: Eliminating authority for crop credit associations.

Sponsors: Senator Rasmussen.

Brief History:

Committee Activity:

Agriculture & Ecology: 4/2/99 [DP].

Brief Summary of Bill

- Repeals the Washington Crop Credit Act.

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: Do pass. Signed by 13 members: Representatives G. Chandler, Republican Co-Chair; Linville, Democratic Co-Chair; Cooper, Democratic Vice Chair; Koster, Republican Vice Chair; Anderson; B. Chandler; Delvin; Grant; Reardon; Schoesler; Stensen; Sump and Wood.

Staff: Kenneth Hirst (786-7105).

Background:

The Washington Crop Credit Act allows groups of not less than 10 growers to form crop credit associations. These may be formed for wheat, hay, apples, and potatoes and for any other crop designated by the director of Agriculture.

If the director determines that there is a need for a proposed association and its articles of association are in conformity with these laws, the director is to issue a certificate authorizing the filing of articles of association with the Secretary of State. The director has general supervisory authority for such an association. The association may be formed on a temporary basis for one year for the purpose of establishing credit facilities

for the handling of one crop or it may be formed on a permanent basis for up to 50 years.

Among the authorities assigned to a crop credit association under the act are the powers to: borrow money and lend the funds of the association to its members upon such security, real or personal, as it requires; engage in the warehouse and storage business for the benefit of its members, and handle, prepare for market, store, ship and sell all agricultural crops for its members; and buy, sell, deal in, and procure for its members supplies necessary or useful for growing, harvesting and marketing of agricultural crops grown by its members. Although such an association may act as a broker for the sale of the crops of its members, it may not buy or sell any crop for its own account.

Summary of Bill:

The Washington Crop Credit Act is repealed.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: According to the Secretary of State's Office, the Crop Credit Act has never been used.

Testimony Against: None.

Testified: Senator Rasmussen, prime sponsor.