

ANALYSIS OF HB 1551

House Agriculture & Ecology Committee
8, 1999

February

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| <ul style="list-style-type: none">- Reduces the licensing fee for certain agricultural warehouse stations to \$500 annually.- Sets certain grain dealer licensing fees at \$300. |
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BACKGROUND:

A person operating a warehouse for grain or pulses (such as peas, beans, or lentils) must secure a license from the Department of Agriculture. Warehouses licensed by the federal government are exempt from this requirement. A separate license is required for each warehouse, unless the warehouses qualify as a station, in which case they may be operated under one license. (RCW 22.09.030.) With certain exceptions, a station is made up of two or more warehouses between which commodities are commonly transferred in the ordinary course of business and all of them are located: immediately adjacent to each other; in a city or town; at a railroad siding or switching area; in one place in the open country off rail; or in an area that can be reasonably audited by the Department as identified by rule. (RCW 22.09.011(8).)

The annual licensing fee for a grain or pulse warehouse is \$1350 dollars for a terminal warehouse, \$1050 for a subterminal warehouse, and \$500 for a country warehouse. The licensing fee for a station is determined by multiplying the number of physically separated warehouses within the station by the applicable terminal, subterminal, or country warehouse license fee. (RCW 22.09.050.)

A person operating as a grain dealer must also be licensed by the Department. Exempt from this requirement are federally licensed grain dealers. (RCW 22.09.035.) The licensing fee for a grain dealer is \$750. The fee for exempt grain dealers is \$300. (RCW 22.09.055.)

SUMMARY:

The licensing fee for a group of warehouses that make up a station is \$500 if: less than 500,000 bushels of agricultural commodities are stored or received annually at the warehouses, and all of the warehouses are on one parcel of land or on contiguous parcels of land separated by not more than a highway and highway right of way or separated by any other transportation or public right of way. (Section 1.)

The licensing fee for a grain dealer is \$300 for a grain dealer dealing in less than 500,000 bushels of agricultural commodities annually if the grain dealer also holds one or more valid state agricultural warehouse licenses and the activities for which the dealer is licensed as a grain dealer are with regard to the operation of those warehouses. (Section 2.)