

SENATE BILL REPORT

SB 6176

As Reported By Senate Committee On:
Natural Resources, Parks & Recreation, January 20, 2000

Title: An act relating to warehouse receipts.

Brief Description: Changing warehouse receipts.

Sponsors: Senators Rasmussen and T. Sheldon; by request of Commissioner of Public Lands.

Brief History:

Committee Activity: Natural Resources, Parks & Recreation: 1/17/2000, 12/0/2000 [DP].

SENATE COMMITTEE ON NATURAL RESOURCES, PARKS & RECREATION

Majority Report: Do pass.

Signed by Senators Jacobsen, Chair; T. Sheldon, Vice Chair; Hargrove, Morton, Oke, Rossi, Snyder, Spanel and Stevens.

Staff: Vic Moon (786-7469)

Background: The Department of Natural Resources manages more than 470 agricultural leases for the use of state trust lands. The total acreage is about 131,000 acres, mostly in central and eastern Washington. Most of the leases pay rent based on a percentage of the crop raised on the land. The department's share varies from 23 to 30 percent of the crop which is divided at the warehouse with a warehouse receipt given to each party. The receipts are themselves negotiable in some cases but not in every case. The lessee and the department transfer the receipt to the buyer and the buyer takes possession of the crop at the warehouse.

The receipts are only issued for grains and peas, and the law does not allow the receipt process for other products such as hops and mint. The warehouse receipts are not defined as negotiable or non-negotiable in the law, and processing a negotiable receipt is much more costly and cumbersome to the holder.

Summary of Bill: Warehouse receipts may be issued for all crops and may be issued as either negotiable or non-negotiable instruments depending what the department wants and what the lessee wants.

Appropriation: None.

Fiscal Note: Requested on January 11, 2000.

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

Testimony For: This applies to warehouse receipts for the Department of Natural Resources share crop leases only and will save time and money. The agriculture community supports the bill.

Testimony Against: None.

Testified: Scott Merriman, Dept. of Natural Resources (pro).