

HOUSE BILL REPORT

SSB 5902

As Reported by House Committee On:
Agriculture & Ecology

Title: An act relating to agricultural commodity commissions.

Brief Description: Regulating agricultural commodity commissions.

Sponsors: By Senate Committee on Agriculture & International Trade (originally sponsored by Senators Rasmussen, Sheahan, Hochstatter and Snyder).

Brief History:

Committee Activity:

Agriculture & Ecology: 3/22/01, 3/29/01 [DPA].

Brief Summary of Substitute Bill
(As Amended by House Committee)

- Authorizes members of agricultural commodity boards and commissions to receive, under state law for members of Group Two boards and commissions, compensation of up to \$100/day (rather than up to \$35/day) for each official duty day.
- Reduces the minimum age required for a member of such a commission and for producer members of such a board created by marketing order, specifies how those members and their employees may be reimbursed for travel costs, and expands the purposes for which such a commission or board may be created.
- Expands the authorized powers and duties of commodity commissions and boards including the authority to retain private legal counsel in emergent situations, engage in fund-raising activities and create foundations for certain purposes, to enter into contracts to carry out the purposes of the commission or board and to enter into agreements for certain research.

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: Do pass as amended. Signed by 13 members: Representatives G. Chandler, Republican Co-Chair; Linville, Democratic Co-Chair; Cooper, Democratic Vice Chair; Mielke, Republican Vice Chair; B. Chandler, Delvin, Dunshee, Grant, Hunt,

Quall, Roach, Schoesler and Sump.

Staff: Kenneth Hirst (786-7105).

Background:

Some agricultural commodity commissions have been created directly by statute. Examples these type of commodity commissions are the Fruit Commission, Tree Fruit Research Commission, Apple Advertising Commission, Beef Commission, and Dairy Products Commission.

The state's Agricultural Enabling Acts of 1955 and 1961 provide procedures under which the producers of agricultural commodities may prepare marketing agreements and orders to create, by referenda, agricultural commodity boards and commissions for the commodities without further statutory authority.

State general laws classify the wide range of state committees, commissions, and boards into groups and provide for the compensation of the members of those in each group. Commodity commissions and boards, whether created directly by statute or by marketing order, are a Class Two group. The general law allows members of these commissions and boards to receive compensation of up to \$35/day of official duty. Compensation may be paid a member under the general law only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.

With certain limitations, the state's public disclosure laws allow any state or local agency to expend public funds for lobbying that is limited to (a) providing information or communicating on matters pertaining to official agency business to any elected official or officer or employee of an agency or (b) advocating the official position or interests of the agency to any elected official or officer or employee of an agency.

Summary of Amended Bill:

I. Commissions and Boards Created by Statute or by Marketing Order Compensation. Members of agricultural commodity commissions and boards are authorized to receive up to \$100 (rather than up to \$35) for each official duty day.

II. Commissions and Boards Created by Marketing Order, Purposes and Powers. The purposes for which commodity boards or commissions may be created under the Agricultural Enabling Act of 1955 or 1961 are expanded. They expressly include: communicating to an elected official or officer or employee of an agency on matters regarding the production, processing, marketing, or uses of an agricultural commodity produced in the state; providing marketing information and services for producers of a

commodity and engaging in cooperative marketing efforts; providing information and services for meeting resource conservation objectives of producers of a commodity; and providing for commodity-related education and training.

Each commodity board or commission created under either the 1955 or 1961 Enabling Act has, in addition to the powers and duties provided in its marketing order, the authority or duty to: retain in emergent situations the services of private legal counsel to conduct legal actions on behalf of a commission or board. The retention is subject to review by the office of the Attorney General; accept and expend or retain gifts, bequests, contributions, or grants to carry out the purposes of the commission's or board's marketing order; engage in appropriate fund-raising activities to support activities of the commission or board authorized by the marketing order; participate in hearings, meetings, and other proceedings relating to the production, manufacture, regulation, distribution, sale, or use of affected commodities including lobbying activities authorized for public agencies under the state's public disclosure laws; enter into contracts or agreements for research in the production, processing, marketing, use, or distribution of an affected commodity; enter into contracts or interagency agreements to carry out the purposes of the commission's or board's marketing order; and work cooperatively with other agencies and with universities and national organizations for the purposes of the commission's or board's marketing order.

Commission and Board Members. Commission members must now be over the age of 18 (rather than 25) and must be citizens and residents of the state only if that status is required by the marketing order for the commission. Not less than two-thirds (rather than two-thirds) of the members of a commission created under the 1955 Act must be producers. Members of commodity boards representing producers must be over the age of 18 (rather than 25).

Board members and employees of a commodity commission or board may be reimbursed for actual travel expenses incurred, as defined under the marketing order. If not defined or referenced in the marketing order, reimbursement is as provided by state law regarding the reimbursement of state employees for such expenses. Approval for such expenses is as defined in the marketing order.

Other. A commodity commission or board may establish foundations using board or commission funds as grant money when the foundations benefit the commodity for which the board or commission was established. The funds of a commission or board may be used for the purposes authorized in its marketing order. Commissions created under the 1955 Act may now purchase (rather than just lease) office space and audits of them may now expressly be done by private auditors designated by the State Auditor

Amended Bill Compared to Substitute Bill:

The amendment acknowledges that commodity boards are the entities created under the

1961 Enabling Act and commodity commissions are the entities created under the 1955 Enabling Act; and removes unnecessarily repetitious language.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: (1) The bill updates the policies that govern commodity boards and commissions to allow them to respond to a more dynamic environment. For example, commissions face legal challenges in international trade that the Attorney General's office has no experts to assist with, yet the commissions need to respond. The bill allows them to do so. (2) Most of the bill comes from work done by the Department of Agriculture with the commodity groups to give them more flexibility. Other issues will be brought to the Legislature after this interim. (3) Many of the commodities grown in this state are grown by small groups that have only the state commissions and boards to assist them, not the supporting grower associations the larger groups have. They need greater flexibility. (4) The current level of compensation allowed for board and commissions members is inadequate.

Testimony Against: None.

Testified: Senator Rasmussen, prime sponsor; Charlie Brown, Washington State Potato Commission; Leslie Emerick, Department of Agriculture; and Chris Cheney, Hop Growers Association.