

SENATE BILL REPORT

SB 5902

As Reported By Senate Committee On:
Agriculture & International Trade, February 23, 2001

Title: An act relating to agricultural commodity commissions.

Brief Description: Regulating agricultural commodity commissions.

Sponsors: Senators Rasmussen, Sheahan, Hochstatter and Snyder.

Brief History:

Committee Activity: Agriculture & International Trade: 2/21/01, 2/23/01 [DPS].

SENATE COMMITTEE ON AGRICULTURE & INTERNATIONAL TRADE

Majority Report: That Substitute Senate Bill No. 5902 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rasmussen, Chair; Shin, Vice Chair; Parlette, Sheahan, Spanel and Swecker.

Staff: Bob Lee (786-7404)

Background: There exist two similar chapters of law that establish procedures for formation and operation of agricultural commodity commissions. One chapter was enacted in 1955 and the other chapter was enacted in 1961.

Generally, commodity commissions are formed to generate funds for advertising and marketing programs, to carry out research programs, to improve grades and product labeling, or to prevent unfair trade practices that affect a particular commodity. Funds are generated from assessments collected on a particular commodity. There is a board made up primarily of producers of the particular commodity that guides the activities of the commission.

Summary of Substitute Bill: The following provisions are added to both commodity commission statutes.

Specific authority is granted to agricultural commodity commissions:

- (1) to provide information and communication on matters of production, processing, marketing, and use of the commodity to any elected official or employee of any agency;
- (2) to provide information and services for meeting resource conservation objectives of producers of an agricultural commodity; and
- (3) to provide commodity-related education and training.

Commission members are required to be citizens and residents of the state if required by the marketing order, and be at least 18 years of age. Commission records must be open to inspection and audit by the State Auditor, or a private auditor designated by the State Auditor.

Contracts may be entered into with governmental agencies, universities and national organizations for the purposes contained in the commission's marketing order. Personal service contracts entered into by commodity commissions must comply with the same requirements as personal service contracts entered into by state agencies. In regards to participation in governmental meetings relating to the production, manufacture, sale or use of affected commodities, commodity commissions are to file the same reports to the Public Disclosure Commission as are required of state agencies.

Commodity commission board members may be compensated up to \$100 per day and be reimbursed for actual travel expenses as defined under the commodity commission's marketing order. Otherwise, reimbursement for travel must be in accordance with the rates set for state employees.

A commission may establish foundations using commission funds as grant money for purposes authorized in its marketing order.

Substitute Bill Compared to Original Bill: The compensation for serving as a board member for a commodity commission is determined by the statute that specifically applies to commodity commissions. The maximum amount of compensation for attending an official meeting or performing statutorily prescribed duties is increased from \$35 per day to \$100 per day.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Commodity commission statutes have not been updated for a number of years. Commissions are funded by grower assessments. Commissions need authority to retain private legal counsel because the state Attorney General cannot represent a commission in trade litigation, for example, before a tribunal in Canada. Commissions desire authority to provide money to establish foundations for scholarships and to provide food aid. Current board compensation is \$35 per day and should be increased to a maximum of \$100 per day.

Testimony Against: None.

Testified: PRO: Chris Cheney, Hop Commission; Pat Bess, Charlie Brown, Potato Commission; Mary Beth Lang, Department of Agriculture.