

SENATE BILL REPORT

SSB 6254

As Passed Senate, February 16, 2002

Title: An act relating to the fruit and vegetable inspection account.

Brief Description: Creating the fruit and vegetable inspection account.

Sponsors: Senate Committee on Agriculture & International Trade (originally sponsored by Senators Rasmussen, Swecker, Shin and Spanel; by request of Department of Agriculture).

Brief History:

Committee Activity: Agriculture & International Trade: 1/16/02, 2/8/02 [DPS].
Passed Senate: 2/16/02, 43-3.

SENATE COMMITTEE ON AGRICULTURE & INTERNATIONAL TRADE

Majority Report: That Substitute Senate Bill No. 6254 be substituted therefor, and the substitute bill do pass.

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

Staff: Bob Lee (786-7404)

Background: There is a system for the inspection of specified unprocessed fruits and vegetables to determine whether they meet uniform grades and standards used in domestic and international sales.

There are currently three fruit and vegetable inspection districts that are created for specified geographic areas in the state. Fees collected by each district are currently to be deposited into a separate fund in a bank located in the district. Each of the three districts are supervised by the commodity inspection program within the Department of Agriculture.

The department also maintains a fruit and vegetable inspection trust account. This account is authorized to be used to: (1) pay expenses involved with inspection agreements with the United States Department of Agriculture; (2) assist other fruit and vegetable inspection districts in temporary financial distress which are to be repaid; and (3) to pay necessary administrative costs of the commodity inspection division of the Department of Agriculture. The source of the funds in this trust account is the local fruit and vegetable inspection funds.

Interest earnings that accrue on balances of specified accounts in the custody of the State Treasurer, such as the agricultural local fund, are to be distributed to those accounts.

Summary of Bill: The fruit and vegetable inspection account is created in the custody of the State Treasurer. All fees collected by fruit and vegetable inspection districts must be deposited in the account. An account is maintained for each district. The account may be used solely for implementation and enforcement of the fruit and vegetable inspection law or

other expenditures authorized by statute or session law. The account is subject to state allotment procedures but an appropriation is not required. Formulas are set to adjust fees based on fund balances as three districts are being consolidated into two.

The fruit and vegetable inspection trust account is repealed. Authority for separate bank accounts for each district is also repealed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2002.

Testimony For: Due to some plants going to private inspection, there has been a reduction in demand for state inspection services and a need to consolidate districts to save costs. Constraints on the department's ability to raise fees has also created difficulty in temporarily reducing fees. More flexibility in setting fees is needed to allow the fee supported program to adjust to the changing conditions in the industry.

Testimony Against: Because the fruit and vegetable inspection program is the largest single program, there is a desire that the 8.5 percent rate charged to pay the cost of general administrative costs of the agency should be examined.

Testified: PRO: Jim Halstrom, WA State Horticultural Assn.; Charlie Brown, WA State Potato Commission; Dave Ducharme, Yakima Valley Growers-Shippers Assn.; Jim Quigley, WA State Dept. of Agriculture; Leslie Emerth, WSDA.

House Amendment(s): Entities receiving inspections of fruits and vegetables that have been located in the Moses Lake district will see a reduction in fees for a 12-month period to equalize the fund balance as three districts are being consolidated into two.