
SUBSTITUTE HOUSE BILL 2290

State of Washington

57th Legislature

2002 Regular Session

By House Committee on Agriculture & Ecology (originally sponsored by Representatives Linville and Schoesler; by request of Department of Agriculture)

Read first time 02/08/2002. Referred to Committee on .

1 AN ACT Relating to the fruit and vegetable inspection account;
2 amending RCW 15.17.230, 15.17.240, and 15.17.243; reenacting and
3 amending RCW 43.79A.040; creating new sections; repealing RCW
4 15.17.245; and providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 15.17.230 and 1998 c 154 s 15 are each amended to read
7 as follows:

8 For the purpose of this chapter the state shall be divided into not
9 less than ~~((three))~~ two fruit and vegetable inspection districts ~~((to~~
10 ~~which the director may assign a district manager who shall supervise~~
11 ~~and administer regulatory and inspection affairs of the districts))~~.
12 The director, by rule, shall establish the boundaries of the districts
13 and may adjust the boundaries for purposes of efficiency and economy.

14 **Sec. 2.** RCW 15.17.240 and 1998 c 154 s 16 are each amended to read
15 as follows:

16 (1) ~~((The district managers shall collect the fees provided for~~
17 ~~under this chapter and deposit them in the fruit and vegetable district~~
18 ~~fund in any bank in the district approved for the deposit of state~~

1 funds. The fees shall be used to carry out the provisions of this
2 chapter and no appropriation is required for disbursement from the
3 fund. District managers shall approve payments from the fruit and
4 vegetable inspection district funds to the fruit and vegetable
5 inspection trust account in accordance with RCW 15.17.245. On a
6 monthly basis, each district manager shall provide to the director a
7 detailed account of the receipts and disbursements for the preceding
8 month.

9 (2) Assessments and other fees approved by the director or
10 authorized by law and collected by the district managers shall be
11 deposited in the fruit and vegetable inspection district funds and
12 distributed to the appropriate fund or agency.)) The fruit and
13 vegetable inspection account is created in the custody of the state
14 treasurer. All fees collected under this chapter must be deposited
15 into the account. The director may authorize expenditures from the
16 account solely for the implementation and enforcement of this chapter
17 and may make other expenditures authorized by statute or session law
18 and applying specifically to the account. The account is subject to
19 allotment procedures under chapter 43.88 RCW, but an appropriation is
20 not required for expenditures.

21 The director shall establish and maintain an account within the
22 fruit and vegetable inspection account for each district established
23 under RCW 15.17.230.

24 (2) By August 1, 2004, and by August 1st of each even-numbered year
25 thereafter, the director shall review the balance of each of the
26 district accounts in the fruit and vegetable inspection account at the
27 end of the previous fiscal year. If the balance in a district account
28 exceeds the sum of the following: An amount equal to the total
29 expenditures of the district served by that account for the last six
30 months of that previous fiscal year; any budgeted capital expenditures
31 from the account for the current fiscal year; and six hundred thousand
32 dollars, the director shall temporarily and equally, on a percentage
33 basis, reduce each of the fees accruing to the district account until
34 such time that the district account has a balance equal to the amount
35 of the total expenditures from the account for the last seven months of
36 the previous fiscal year, at which time the fees shall be returned to
37 the amounts before the temporary reduction. In making the reductions,
38 the director shall attempt to reduce fees for a twelve-month period so
39 as to apply the reductions to as many of the persons who annually pay

1 fees for services provided by the district. The temporary fee
2 reductions shall be initially provided through the adoption of
3 emergency rules. The emergency and subsequent rules temporarily
4 reducing the fees are exempt from the requirements of RCW 34.05.310 and
5 chapter 19.85 RCW. These fees shall be reinstated through the
6 expiration of the rules temporarily reducing them and the authority to
7 reinstate them is hereby granted.

8 NEW SECTION. Sec. 3. (1) Any residual balance in any fruit and
9 vegetable district fund on the effective date of this act shall be
10 transferred to the fruit and vegetable inspection account established
11 in RCW 15.17.240. Any such residual balance in the district fund for
12 district number 2, as the district is constituted by rule on January 1,
13 2002, shall be transferred to the district account for the district
14 containing Yakima county. Any such residual balance in the district
15 fund for any other district shall be transferred to the district
16 account for the district not containing Yakima county. Any residual
17 balance in the fruit and vegetable inspection trust account on the
18 effective date of this act shall be transferred to the fruit and
19 vegetable inspection account established in RCW 15.17.240 and shall be
20 equally distributed among the district accounts.

21 (2) The director shall review the residual balance of each of the
22 district funds transferred to the fruit and vegetable inspection
23 account under subsection (1) of this section. If such a residual
24 balance in the district fund exceeds an amount equal to the total of
25 the expenditures of the district served by that fund for the last six
26 months of fiscal year 2002, the director of agriculture shall
27 temporarily reduce each of the inspection fees adopted by rule which
28 accrue to the district account into which the residual balance from
29 that fund was transferred under this section. The fees shall be
30 temporarily reduced by twelve and one-half percent for the district
31 served by the district account and shall remain temporarily reduced
32 until such time as the district account has a balance equal to the
33 amount of the total expenditures from the district fund, from which the
34 district account received such a residual balance exceeding the six-
35 month expenditures, for the seven months ending June 30, 2002. At such
36 time, the fees charged shall return to the level of the fees adopted by
37 rule.

1 (3) As used in this section, "district account" means an account
2 within the fruit and vegetable inspection account maintained for a
3 district established under RCW 15.17.230.

4 **Sec. 4.** RCW 15.17.243 and 2001 c 92 s 1 are each amended to read
5 as follows:

6 The district manager for district two as defined in WAC 16-458-075
7 is authorized to transfer two hundred thousand dollars from the fruit
8 and vegetable district fund to the plant pest account within the
9 agricultural local fund. The amount transferred is to be derived from
10 fees collected for state inspections of tree fruits and is to be used
11 solely for activities related to the control of *Rhagoletis pomonella* in
12 district two. The transfer of funds shall occur by June 1, 1997. On
13 June 30, 2003, any unexpended portion of the two hundred thousand
14 dollars shall be (~~returned~~) transferred to the fruit and vegetable
15 (~~district fund~~) inspection account and deposited in the district
16 account for the district that includes Yakima county.

17 **Sec. 5.** RCW 43.79A.040 and 2001 c 201 s 4 and 2001 c 184 s 4 are
18 each reenacted and amended to read as follows:

19 (1) Money in the treasurer's trust fund may be deposited, invested,
20 and reinvested by the state treasurer in accordance with RCW 43.84.080
21 in the same manner and to the same extent as if the money were in the
22 state treasury.

23 (2) All income received from investment of the treasurer's trust
24 fund shall be set aside in an account in the treasury trust fund to be
25 known as the investment income account.

26 (3) The investment income account may be utilized for the payment
27 of purchased banking services on behalf of treasurer's trust funds
28 including, but not limited to, depository, safekeeping, and
29 disbursement functions for the state treasurer or affected state
30 agencies. The investment income account is subject in all respects to
31 chapter 43.88 RCW, but no appropriation is required for payments to
32 financial institutions. Payments shall occur prior to distribution of
33 earnings set forth in subsection (4) of this section.

34 (4)(a) Monthly, the state treasurer shall distribute the earnings
35 credited to the investment income account to the state general fund
36 except under (b) and (c) of this subsection.

1 (b) The following accounts and funds shall receive their
2 proportionate share of earnings based upon each account's or fund's
3 average daily balance for the period: The college savings program
4 account, the Washington advanced college tuition payment program
5 account, the agricultural local fund, the American Indian scholarship
6 endowment fund, the basic health plan self-insurance reserve account,
7 the Washington international exchange scholarship endowment fund, the
8 developmental disabilities endowment trust fund, the energy account,
9 the fair fund, the fruit and vegetable inspection account, the game
10 farm alternative account, the grain inspection revolving fund, the
11 juvenile accountability incentive account, the rural rehabilitation
12 account, the stadium and exhibition center account, the youth athletic
13 facility account, the self-insurance revolving fund, the sulfur dioxide
14 abatement account, and the children's trust fund. However, the
15 earnings to be distributed shall first be reduced by the allocation to
16 the state treasurer's service fund pursuant to RCW 43.08.190.

17 (c) The following accounts and funds shall receive eighty percent
18 of their proportionate share of earnings based upon each account's or
19 fund's average daily balance for the period: The advanced right of way
20 revolving fund, the advanced environmental mitigation revolving
21 account, the city and county advance right-of-way revolving fund, the
22 federal narcotics asset forfeitures account, the high occupancy vehicle
23 account, the local rail service assistance account, and the
24 miscellaneous transportation programs account.

25 (5) In conformance with Article II, section 37 of the state
26 Constitution, no trust accounts or funds shall be allocated earnings
27 without the specific affirmative directive of this section.

28 NEW SECTION. **Sec. 6.** The department of agriculture and the office
29 of financial management shall jointly examine the administrative
30 support provided by the department to the fruit and vegetable
31 inspection program conducted in the fruit and vegetable inspection
32 districts and the funding provided by fruit and vegetable inspection
33 fees, and interest on any moneys derived from those fees, for the
34 administration of the department. The examination must include an
35 identification of each position within the administration funded in
36 whole or in part by funding derived from those fees and the amount of
37 that funding provided for each position. It must also include a
38 description of the proximity of the functions performed by the

1 positions to the delivery of inspection services in the inspection
2 districts. The department and office shall compare this information to
3 the same type of information regarding the funding for departmental
4 administration provided by moneys derived from each of the other
5 unappropriated accounts from which the director of agriculture may make
6 expenditures. The department and office shall report their results of
7 the examination to the governor and the legislature by December 1,
8 2002.

9 NEW SECTION. **Sec. 7.** If fruit and vegetable inspection districts
10 that existed on January 1, 2002, under RCW 15.17.230 are consolidated
11 or otherwise altered during 2002, the consolidation or alteration must
12 not result in a reduction of inspection services or the availability or
13 quality of those services in any of the districts, but may result in a
14 consolidation of administrative support for those services.

15 NEW SECTION. **Sec. 8.** RCW 15.17.245 (Fruit and vegetable
16 inspection trust account) and 1998 c 154 s 19, 1987 c 393 s 2, 1986 c
17 203 s 1, 1969 ex.s. c 76 s 1, & 1961 c 11 s 15.04.100 are each
18 repealed.

19 NEW SECTION. **Sec. 9.** This act takes effect July 1, 2002.
20 However, the director of the department of agriculture and the state
21 treasurer may take actions before July 1, 2002, to permit the creation
22 of the fruit and vegetable inspection account and the district accounts
23 described in RCW 15.17.240 by July 1, 2002.

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