

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1892**

57th Legislature  
2001 Regular Legislative Session

Passed by the House April 13, 2001  
Yeas 88 Nays 0

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**Speaker of the House of Representatives**

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**Speaker of the House of Representatives**

Passed by the Senate April 4, 2001  
Yeas 49 Nays 0

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**President of the Senate**

Approved

\_\_\_\_\_  
Governor of the State of Washington

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1892** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

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**Chief Clerk**

FILED

Secretary of State  
State of Washington

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**SUBSTITUTE HOUSE BILL 1892**

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AS AMENDED BY THE SENATE

Passed Legislature - 2001 Regular Session

**State of Washington                      57th Legislature                      2001 Regular Session**

**By** House Committee on Agriculture & Ecology (originally sponsored by Representatives Linville and G. Chandler)

Read first time . Referred to Committee on .

1            AN ACT Relating to agricultural commodity boards and commissions;  
2 amending RCW 15.66.030, 15.66.110, 15.66.140, 15.65.040, 15.65.230,  
3 15.65.280, and 43.03.230; adding new sections to chapter 15.65 RCW; and  
4 adding new sections to chapter 15.66 RCW.

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

6            **Sec. 1.** RCW 15.66.030 and 1961 c 11 s 15.66.030 are each amended  
7 to read as follows:

8            Marketing orders may be made for any one or more of the following  
9 purposes:

10            (1) To establish plans and conduct programs for advertising and  
11 sales promotion, to maintain present markets or to create new or larger  
12 markets for any agricultural commodity grown in the state of  
13 Washington;

14            (2) To provide for carrying on research studies to find more  
15 efficient methods of production, processing, handling and marketing of  
16 any agricultural commodity;

17            (3) To provide for improving standards and grades by defining,  
18 establishing and providing labeling requirements with respect to the  
19 same;

1 (4) To investigate and take necessary action to prevent unfair  
2 trade practices;

3 (5) To provide information or communicate on matters pertaining to  
4 the production, processing, marketing, or uses of an agricultural  
5 commodity produced in Washington state to any elected official or  
6 officer or employee of any agency;

7 (6) To provide marketing information and services for producers of  
8 an agricultural commodity;

9 (7) To provide information and services for meeting resource  
10 conservation objectives of producers of an agricultural commodity;

11 (8) To engage in cooperative efforts in the domestic or foreign  
12 marketing of food products of an agricultural commodity; and

13 (9) To provide for commodity-related education and training.

14 **Sec. 2.** RCW 15.66.110 and 1961 c 11 s 15.66.110 are each amended  
15 to read as follows:

16 Every marketing order shall establish a commodity commission  
17 composed of not less than five nor more than thirteen members. In  
18 addition, the director shall be an ex officio member of each commodity  
19 commission. Commission members shall be citizens and residents of this  
20 state if required by the marketing order, and over the age of ((twenty-  
21 five years)) eighteen. The term of office of commission members shall  
22 be three years with the terms rotating so that one-third of the terms  
23 will commence as nearly as practicable each year. However, the first  
24 commission shall be selected, one-third for a term of one year, one-  
25 third for a term of two years, and one-third for a term of three years,  
26 as nearly as practicable. No less than two-thirds of the commission  
27 members shall be elected by the affected producers and such elected  
28 members shall all be affected producers. The remaining ((one-third))  
29 members shall be appointed by the commission and shall be either  
30 affected producers, others active in matters relating to the affected  
31 commodity or persons not so related.

32 **Sec. 3.** RCW 15.66.140 and 1985 c 261 s 20 are each amended to read  
33 as follows:

34 Every marketing commission shall have such powers and duties in  
35 accordance with provisions of this chapter as may be provided in the  
36 marketing order and shall have the following powers and duties:

- 1 (1) To elect a chairman and such other officers as determined  
2 advisable;
- 3 (2) To adopt, rescind and amend rules and regulations reasonably  
4 necessary for the administration and operation of the commission and  
5 the enforcement of its duties under the marketing order;
- 6 (3) To administer, enforce, direct and control the provisions of  
7 the marketing order and of this chapter relating thereto;
- 8 (4) To employ and discharge at its discretion such administrators  
9 and additional personnel, attorneys, advertising and research agencies  
10 and other persons and firms that it may deem appropriate and pay  
11 compensation to the same;
- 12 (5) To acquire personal property and purchase or lease office space  
13 and other necessary real property and transfer and convey the same;
- 14 (6) To institute and maintain in its own name any and all legal  
15 actions, including actions by injunction, mandatory injunction or civil  
16 recovery, or proceedings before administrative tribunals or other  
17 governmental authorities necessary to carry out the provisions of this  
18 chapter and of the marketing order;
- 19 (7) To keep accurate records of all its receipts and disbursements,  
20 which records shall be open to inspection and audit by the state  
21 auditor or private auditor designated by the state auditor at least  
22 every five years;
- 23 (8) Borrow money and incur indebtedness;
- 24 (9) Make necessary disbursements for routine operating expenses;
- 25 (10) To expend funds for commodity-related education, training, and  
26 leadership programs as each commission deems expedient;
- 27 (11) To work cooperatively with other local, state, and federal  
28 agencies; universities; and national organizations for the purposes  
29 provided in the commission's marketing order;
- 30 (12) To enter into contracts or interagency agreements with any  
31 private or public agency, whether federal, state, or local, to carry  
32 out the purposes provided in the commission's marketing order.  
33 Personal service contracts must comply with chapter 39.29 RCW;
- 34 (13) To accept and expend or retain any gifts, bequests,  
35 contributions, or grants from private persons or private and public  
36 agencies to carry out the purposes provided in the commission's  
37 marketing order;

1       (14) To enter into contracts or agreements for research in the  
2 production, processing, marketing, use, or distribution of an affected  
3 commodity;

4       (15) To retain in emergent situations the services of private legal  
5 counsel to conduct legal actions on behalf of a commission. The  
6 retention of a private attorney is subject to review by the office of  
7 the attorney general;

8       (16) To engage in appropriate fund-raising activities for the  
9 purpose of supporting activities of the commission authorized by the  
10 marketing order;

11       (17) To participate in international, federal, state, and local  
12 hearings, meetings, and other proceedings relating to the production,  
13 manufacture, regulation, distribution, sale, or use of affected  
14 commodities including activities authorized under RCW 42.17.190,  
15 including the reporting of those activities to the public disclosure  
16 commission; and

17       (18) Such other powers and duties that are necessary to carry out  
18 the purposes of this chapter.

19       **Sec. 4.** RCW 15.65.040 and 1961 c 256 s 4 are each amended to read  
20 as follows:

21       It is hereby declared to be the policy of this chapter:

22       (1) To aid agricultural producers in preventing economic waste in  
23 the marketing of their agricultural commodities and in developing more  
24 efficient methods of marketing agricultural products.

25       (2) To enable agricultural producers of this state, with the aid of  
26 the state:

27       (a) To develop, and engage in research for developing, better and  
28 more efficient production, marketing, and utilization of agricultural  
29 products;

30       (b) To establish orderly marketing of agricultural commodities;

31       (c) To provide for uniform grading and proper preparation of  
32 agricultural commodities for market;

33       (d) To provide methods and means (including, but not limited to,  
34 public relations and promotion) for the maintenance of present markets  
35 and for the development of new or larger markets, both domestic and  
36 foreign, for agricultural commodities produced within this state and  
37 for the prevention, modification, or elimination of trade barriers

1 which obstruct the free flow of such agricultural commodities to  
2 market;

3 (e) To eliminate or reduce economic waste in the marketing and/or  
4 use of agricultural commodities;

5 (f) To restore and maintain adequate purchasing power for the  
6 agricultural producers of this state;

7 (g) To provide information or communicate on matters pertaining to  
8 the production, processing, marketing, or uses of an agricultural  
9 commodity produced in Washington state to any elected official or  
10 officer or employee of any agency;

11 (h) To provide marketing information and services for producers of  
12 an agricultural commodity;

13 (i) To provide information and services for meeting resource  
14 conservation objectives of producers of an agricultural commodity;

15 (j) To engage in cooperative efforts in the domestic or foreign  
16 marketing of food products of an agricultural commodity;

17 (k) To provide for commodity-related education and training; and

18 ~~((g))~~ (l) To accomplish all the declared policies of this  
19 chapter.

20 (3) To protect the interest of consumers by assuring a sufficient  
21 pure and wholesome supply of agricultural commodities of good quality  
22 at all seasons and times.

23 **Sec. 5.** RCW 15.65.230 and 1961 c 256 s 23 are each amended to read  
24 as follows:

25 ~~((The))~~ A producer member~~((s))~~ of each ~~((such))~~ commodity board  
26 ~~((shall))~~ must be a practical producer~~((s))~~ of the affected commodity  
27 and ~~((shall))~~ must be a citizen~~((s and))~~, resident~~((s))~~ of this state,  
28 and over the age of ~~((twenty-five))~~ eighteen years~~((, each of whom is~~  
29 ~~and has))~~. Each producer board member must be and have been actually  
30 engaged in producing such a commodity within the state of Washington  
31 for a period of five years and ~~((has))~~ have, during that period,  
32 derived a substantial portion of his or her income therefrom and ~~((who~~  
33 ~~is))~~ not be engaged in business, directly or indirectly, as a handler  
34 or other dealer. ~~((The))~~ A handler member~~((s))~~ of ~~((such))~~ each board  
35 ~~((shall))~~ must be a practical handler~~((s))~~ of the affected commodity  
36 and ~~((shall))~~ must be a citizen~~((s and))~~, resident~~((s))~~ of this state,  
37 and over the age of twenty-five years~~((, each of whom is and has))~~.  
38 Each handler board member must be and have been, either individually or

1 as an officer or employee of a corporation, firm, partnership,  
2 association, or cooperative, actually engaged in handling such a  
3 commodity within the state of Washington for a period of five years and  
4 (~~has~~) have, during that period, derived a substantial portion of his  
5 or her income therefrom. The qualification of a member(~~s~~) of the  
6 board as (~~herein~~) set forth in this section must continue during  
7 (~~their~~) the term(~~s~~) of office.

8 **Sec. 6.** RCW 15.65.280 and 1985 c 261 s 11 are each amended to read  
9 as follows:

10 The powers and duties of the board shall be:

11 (1) To elect a chairman and such other officers as it deems  
12 advisable;

13 (2) To advise and counsel the director with respect to the  
14 administration and conduct of such marketing agreement or order;

15 (3) To recommend to the director administrative rules, regulations  
16 and orders and amendments thereto for the exercise of his powers in  
17 connection with such agreement or order;

18 (4) To advise the director upon any and all assessments provided  
19 pursuant to the terms of such agreement or order and upon the  
20 collection, deposit, withdrawal, disbursement and paying out of all  
21 moneys;

22 (5) To assist the director in the collection of such necessary  
23 information and data as the director may deem necessary in the proper  
24 administration of this chapter;

25 (6) To administer the order or agreement as its administrative  
26 board if the director designates it so to do in such order or  
27 agreement;

28 (7) To work cooperatively with other local, state, and federal  
29 agencies; universities; and national organizations for the purposes  
30 provided in the board's marketing order;

31 (8) To enter into contracts or interagency agreements with any  
32 private or public agency, whether federal, state, or local, to carry  
33 out the purposes provided in the board's marketing order. Personal  
34 service contracts must comply with chapter 39.29 RCW;

35 (9) To accept and expend or retain any gifts, bequests,  
36 contributions, or grants from private persons or private and public  
37 agencies to carry out the purposes provided in the board's marketing  
38 order;

1       (10) To retain in emergent situations the services of private legal  
2 counsel to conduct legal actions on behalf of a board. The retention  
3 of a private attorney is subject to review by the office of the  
4 attorney general;

5       (11) To engage in appropriate fund-raising activities for the  
6 purpose of supporting activities of the board authorized by the  
7 marketing order;

8       (12) To enter into contracts or agreements for research in the  
9 production, processing, marketing, use, or distribution of an affected  
10 commodity;

11       (13) To participate in international, federal, state, and local  
12 hearings, meetings, and other proceedings relating to the production,  
13 manufacture, regulation, distribution, sale, or use of affected  
14 commodities including activities authorized under RCW 42.17.190,  
15 including the reporting of those activities to the public disclosure  
16 commission; and

17       (14) To perform such other duties as the director may prescribe in  
18 the marketing agreement or order.

19       Any agreement or order under which the commodity board administers  
20 the order or agreement shall (if so requested by the affected producers  
21 within the affected area in the proposal or promulgation hearing)  
22 contain provisions whereby the director reserves the power to approve  
23 or disapprove every order, rule or directive issued by the board, in  
24 which event such approval or disapproval shall be based on whether or  
25 not the director believes the board's action has been carried out in  
26 conformance with the purposes of this chapter.

27       NEW SECTION. Sec. 7. A new section is added to chapter 15.65 RCW  
28 to read as follows:

29       A commodity board may establish a foundation using commission funds  
30 as grant money when the foundation benefits the commodity for which the  
31 board was established. Commission funds may be used for the purposes  
32 authorized in the marketing order.

33       NEW SECTION. Sec. 8. A new section is added to chapter 15.66 RCW  
34 to read as follows:

35       A commodity commission may establish a foundation using commission  
36 funds as grant money when the foundation benefits the commodity for



1 which the commission was established. Commission funds may be used for  
2 the purposes authorized in the marketing order.

3 NEW SECTION. **Sec. 9.** A new section is added to chapter 15.65 RCW  
4 to read as follows:

5 (1) Each board member of a commodity board established under this  
6 chapter may be compensated pursuant to RCW 43.03.230.

7 (2) Board members and employees of a commodity board established  
8 under this chapter may be reimbursed for actual travel expenses  
9 incurred in carrying out the provisions of this chapter, as defined  
10 under the commodity board's marketing order. Otherwise, if not defined  
11 or referenced in the marketing order, reimbursement for travel expenses  
12 shall be in accordance with RCW 43.03.050 and 43.03.060.

13 (3) Approval for compensation and travel expenses shall be as  
14 defined in the commodity board's marketing order.

15 NEW SECTION. **Sec. 10.** A new section is added to chapter 15.66 RCW  
16 to read as follows:

17 (1) Each board member of a commodity commission established under  
18 this chapter may be compensated pursuant to RCW 43.03.230.

19 (2) Board members and employees of a commodity commission  
20 established under this chapter may be reimbursed for actual travel  
21 expenses incurred in carrying out the provisions of this chapter, as  
22 defined under the commodity commission's marketing order. Otherwise,  
23 if not defined or referenced in the marketing order, reimbursement for  
24 travel expenses shall be in accordance with RCW 43.03.050 and  
25 43.03.060.

26 (3) Approval for compensation and travel expenses shall be as  
27 defined in the commodity commission's marketing order.

28 **Sec. 11.** RCW 43.03.230 and 1984 c 287 s 3 are each amended to read  
29 as follows:

30 (1) Any agricultural commodity board or commission established  
31 pursuant to Title 15 or 16 RCW shall be identified as a class two group  
32 for purposes of compensation.

33 (2) Except as otherwise provided in this section, each member of a  
34 class two group is eligible to receive compensation in an amount not to  
35 exceed (~~(thirty-five)~~) one hundred dollars for each day during which  
36 the member attends an official meeting of the group or performs

1 statutorily prescribed duties approved by the chairperson of the group.  
2 A person shall not receive compensation for a day of service under this  
3 section if the person (a) occupies a position, normally regarded as  
4 full-time in nature, in any agency of the federal government,  
5 Washington state government, or Washington state local government; and  
6 (b) receives any compensation from such government for working that  
7 day.

8 (3) Compensation may be paid a member under this section only if it  
9 is authorized under the law dealing in particular with the specific  
10 group to which the member belongs or dealing in particular with the  
11 members of that specific group.

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