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**SUBSTITUTE SENATE BILL 6639**

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**State of Washington 57th Legislature****2002 Regular Session**

**By** Senate Committee on Agriculture & International Trade (originally sponsored by Senator Rasmussen; by request of Department of Agriculture)

READ FIRST TIME 02/07/2002.

1 AN ACT Relating to regulating commodity boards and commissions;  
2 amending RCW 15.65.020, 15.65.040, 15.65.050, 15.65.060, 15.65.070,  
3 15.65.090, 15.65.120, 15.65.170, 15.65.180, 15.65.200, 15.65.220,  
4 15.65.230, 15.65.235, 15.65.240, 15.65.250, 15.65.260, 15.65.270,  
5 15.65.280, 15.65.375, 15.65.380, 15.65.430, 15.65.450, 15.65.570,  
6 15.66.010, 15.66.030, 15.66.050, 15.66.060, 15.66.070, 15.66.090,  
7 15.66.110, 15.66.120, 15.66.130, 15.66.140, 15.66.180, 15.66.185,  
8 15.66.245, 15.66.260, 42.17.31907, 16.67.030, 16.67.070, 16.67.090,  
9 16.67.120, 16.67.122, 15.44.010, 15.44.020, 15.44.035, 15.44.038,  
10 15.44.060, 15.44.070, 15.44.080, 15.44.085, 15.44.110, 15.44.140,  
11 15.44.150, 15.28.010, 15.28.020, 15.28.110, 15.28.130, 15.28.250, and  
12 15.88.050; adding new sections to chapter 15.65 RCW; adding new  
13 sections to chapter 15.66 RCW; adding new sections to chapter 15.26  
14 RCW; adding new sections to chapter 15.28 RCW; adding new sections to  
15 chapter 15.44 RCW; adding new sections to chapter 15.88 RCW; adding new  
16 sections to chapter 16.67 RCW; adding a new section to chapter 15.24  
17 RCW; adding new sections to chapter 43.23 RCW; adding a new section to  
18 chapter 15.88 RCW; repealing RCW 15.65.030, 15.65.080, 15.65.460,  
19 15.65.405, 15.66.020, 16.67.020, 15.44.037, 15.44.900, and 15.28.900;  
20 prescribing penalties; and providing an effective date.

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

2 **Sec. 1.** RCW 15.65.020 and 1993 c 80 s 2 are each amended to read  
3 as follows:

4 The following terms are hereby defined:

5 (1) "Director" means the director of agriculture of the state of  
6 Washington or his or her duly appointed representative. The phrase  
7 "director or his or her designee" means the director unless, in the  
8 provisions of any marketing agreement or order, he or she has  
9 designated an administrator, board, or other designee to act (~~for~~  
10 ~~him~~) in the matter designated, in which case "director or his or her  
11 designee" means for such order or agreement the administrator, board,  
12 or other person(s) so designated and not the director.

13 (2) "Department" means the department of agriculture of the state  
14 of Washington.

15 (3) "Marketing order" means an order (~~issued~~) adopted by the  
16 director (~~pursuant to~~) under this chapter that establishes a  
17 commodity board for an agricultural commodity or agricultural  
18 commodities with like or common qualities or producers.

19 (4) "Marketing agreement" means an agreement entered into and  
20 issued by the director pursuant to this chapter.

21 (5) "Agricultural commodity" means any of the following commodities  
22 or products: Llamas, alpacas, or any other animal or any distinctive  
23 type of agricultural, horticultural, viticultural, floricultural,  
24 vegetable, or animal product, including, but not limited to, products  
25 qualifying as organic food products under chapter 15.86 RCW and private  
26 sector cultured aquatic products as defined in RCW 15.85.020 and other  
27 fish and fish products, either in its natural or processed state,  
28 including beehives containing bees and honey and Christmas trees but  
29 not including timber or timber products. The director is hereby  
30 authorized to determine (on the basis of common usage and practice)  
31 what kinds, types or sub-types should be classed together as an  
32 agricultural commodity for the purposes of this chapter.

33 (6) "Production area" and "marketing area" means any area defined  
34 as such in any marketing order or agreement in accordance with RCW  
35 15.65.350. "Affected area" means the marketing or production area so  
36 defined in such order, agreement or proposal.

37 (7) "Unit" of an agricultural commodity means a unit of volume,  
38 weight, quantity, or other measure in which such commodity is commonly

1 measured. The director shall designate in each marketing order and  
2 agreement the unit to be used therein.

3 (8) "Affected unit" means in the case of marketing agreements and  
4 orders drawn on the basis of a production area, any unit of the  
5 commodity specified in or covered by such agreement or order which is  
6 produced in such area and sold or marketed or delivered for sale or  
7 marketing; and "affected unit" means, in the case of marketing  
8 agreements and orders drawn on the basis of marketing area, any unit of  
9 the commodity specified in or covered by such agreement or order which  
10 is stored in frozen condition or sold or marketed or delivered for sale  
11 or marketing within such marketing area: PROVIDED, That in the case of  
12 marketing agreements "affected unit" shall include only those units  
13 which are produced by producers or handled by handlers who have  
14 assented to such agreement.

15 (9) "Affected commodity" means that part or portion of any  
16 agricultural commodity which is covered by or forms the subject matter  
17 of any marketing agreement or order or proposal, and includes all  
18 affected units thereof as herein defined and no others.

19 (10) "Producer" means any person engaged in the business of  
20 producing any agricultural commodity for market in commercial  
21 quantities. "Affected producer" means any producer (~~(of an affected~~  
22 ~~commodity)) who is subject to a marketing order or agreement. "To~~  
23 produce" means to act as a producer. For the purposes of RCW 15.65.140  
24 and 15.65.160 as now or hereafter amended "producer" shall include  
25 bailees who contract to produce or grow any agricultural product on  
26 behalf of a bailor who retains title to the seed and its resulting  
27 agricultural product or the agricultural product delivered for further  
28 production or increase.

29 (11) "Handler" means any person who acts, either as principal,  
30 agent or otherwise, in processing, selling, marketing or distributing  
31 an agricultural commodity or storage of a frozen agricultural commodity  
32 which was not produced by him or her. "Handler" does not mean a common  
33 carrier used to transport an agricultural commodity. "Affected  
34 handler" means any handler of an affected commodity. "To handle" means  
35 to act as a handler.

36 (12) "Producer-handler" means any person who acts both as a  
37 producer and as a handler with respect to any agricultural commodity.  
38 A producer-handler shall be deemed to be a producer with respect to the  
39 agricultural commodities which he or she produces, and a handler with

1 respect to the agricultural commodities which he or she handles,  
2 including those produced by himself or herself.

3 (13) "Cooperative association" means any incorporated or  
4 unincorporated association of producers which conforms to the  
5 qualifications set out in the act of congress of the United States of  
6 February 18, 1922 as amended, known as the "Capper-Volstead Act" and  
7 which is engaged in making collective sales or in marketing any  
8 agricultural commodity or product thereof or in rendering service for  
9 or advancing the interests of the producers of such commodity on a  
10 nonprofit cooperative basis.

11 (14) "Member of a cooperative association" means any producer who  
12 markets his or her product through such cooperative association and who  
13 is a voting stockholder of or has a vote in the control of or is a  
14 party to a marketing agreement with such cooperative association with  
15 respect to such product.

16 (15) "Producer marketing" or "marketed by producers" means any or  
17 all operations performed by any producer or cooperative association of  
18 producers in preparing for market and marketing, and shall include:  
19 (a) selling any agricultural commodity produced by such producer(s) to  
20 any handler; (b) delivering any such commodity or otherwise disposing  
21 of it for commercial purposes to or through any handler.

22 (16) "Commercial quantities" as applied to producers and/or  
23 production means such quantities per year (or other period of time) of  
24 an agricultural commodity as the director finds are not less than the  
25 minimum which a prudent man engaged in agricultural production would  
26 produce for the purpose of making such quantity of such commodity a  
27 substantial contribution to the economic operation of the farm on which  
28 such commodity is produced. "Commercial quantities" as applied to  
29 handlers and/or handling means such quantities per year (or other  
30 period of time) of an agricultural commodity or product thereof as the  
31 director finds are not less than the minimum which a prudent man  
32 engaged in such handling would handle for the purpose of making such  
33 quantity a substantial contribution to the handling operation in which  
34 such commodity or product thereof is so handled. In either case the  
35 director may in his or her discretion: (a) Determine that substantial  
36 quantity is any amount above zero; and (b) apply the quantity so  
37 determined on a uniform rule applicable alike to all persons which he  
38 or she finds to be similarly situated.

1 (17) "Commodity board" means any board established pursuant to RCW  
2 15.65.220. "Board" means any such commodity board unless a different  
3 board is expressly specified.

4 (18) "Sell" includes offer for sale, expose for sale, have in  
5 possession for sale, exchange, barter or trade.

6 (19) "Section" means a section of this chapter unless some other  
7 statute is specifically mentioned. The present includes the past and  
8 future tenses, and the past or future the present. The masculine  
9 gender includes the feminine and neuter. The singular number includes  
10 the plural and the plural includes the singular.

11 (20) "Represented in a referendum" means that a written document  
12 evidencing approval or assent or disapproval or dissent is duly and  
13 timely filed with or mailed to the director by or on behalf of an  
14 affected producer and/or a volume of production of an affected  
15 commodity in a form which the director finds meets the requirements of  
16 this chapter. "Referendum" means a vote by the affected parties or  
17 affected producers which is conducted by secret ballot.

18 (21) "Person" (~~as used in this chapter shall mean any person,~~  
19 ~~firm, association or corporation~~) means any individual, firm,  
20 corporation, limited liability company, trust, association,  
21 partnership, society, or any other organization of individuals, or any  
22 unit or agency of local, state, or federal government.

23 (22) "Affected parties" means any producer, affected producer,  
24 handler, or commodity board member.

25 (23) "Assessment" means the monetary amount established in a  
26 marketing order or agreement that is to be paid by each affected  
27 producer to a commodity board in accordance with the schedule  
28 established in the marketing order or agreement.

29 (24) "List of affected parties" means a list containing the names  
30 and mailing addresses of affected parties. This list shall contain the  
31 names and addresses of all affected parties and, if requested by the  
32 director, the amount, by unit, of the affected commodity produced  
33 during a designated period under this chapter.

34 (25) "List of affected producers" means a list containing the names  
35 and mailing addresses of affected producers. This list shall contain  
36 the names and addresses of all affected producers and, if requested by  
37 the director, the amount, by unit, of the affected commodity produced  
38 during a designated period under this chapter.

1       (26) "List of affected handlers" means a list containing the names  
2 and addresses of affected handlers. This list shall contain the names  
3 and addresses of all affected handlers and, if requested by the  
4 director, the amount, by unit, of the affected commodity handled during  
5 a designated period under this chapter.

6       (27) "Mail" or "send" for purposes of any notice relating to rule  
7 making, referenda, or elections means regular mail or electronic  
8 distribution, as provided in RCW 34.05.260 for rule making.  
9 "Electronic distribution" or "electronically" means distribution by  
10 electronic mail or facsimile mail.

11       (28) "Percent by numbers" means the percent of those persons on the  
12 list of affected parties or affected producers.

13       (29) "Rule-making proceedings" means the rule-making provisions as  
14 outlined in chapter 34.05 RCW.

15       (30) "Vacancy" means that a board member leaves or is removed from  
16 a board position prior to the end of a term, or a nomination process  
17 for the beginning of a term concludes with no candidates for a  
18 position.

19       (31) "Volume of production" means the percent of the average volume  
20 of production of the affected commodity of those on the list of  
21 affected parties or affected producers for a production period. For  
22 the purposes of this chapter, a production period is a minimum three-  
23 year period or as specified in the marketing order or agreement.

24       NEW SECTION. Sec. 2. A new section is added to chapter 15.65 RCW  
25 to read as follows:

26       The history, economy, culture, and the future of Washington state  
27 to a large degree all involve agriculture. In order to develop and  
28 promote Washington's agricultural products as part of the existing  
29 comprehensive scheme to regulate agricultural commodities, the  
30 legislature declares:

31       (1) That the marketing of agricultural products within this state  
32 is in the public interest. It is vital to the continued economic well-  
33 being of the citizens of this state and their general welfare that its  
34 agricultural commodities be properly promoted by (a) enabling producers  
35 of agricultural commodities to help themselves in establishing orderly,  
36 fair, sound, efficient, and unhampered marketing, grading, and  
37 standardizing of the commodities they produce and (b) working towards  
38 stabilizing the agricultural industry by increasing consumption of

1 agricultural commodities within the state, the nation, and  
2 internationally;

3 (2) That farmers and ranchers operate within a regulatory  
4 environment that imposes burdens on them for the benefit of society and  
5 the citizens of the state and includes restrictions on marketing  
6 autonomy. Those restrictions may impair the agricultural producer's  
7 ability to compete in local, domestic, and foreign markets;

8 (3) That it is now in the overriding public interest that support  
9 for the agricultural industry be clearly expressed, that adequate  
10 protection be given to agricultural commodities, uses, activities, and  
11 operations, and that each agricultural commodity be promoted  
12 individually, and as part of a comprehensive industry to:

13 (a) Enhance the reputation and image of Washington state's  
14 agricultural commodities;

15 (b) Increase the sale and use of Washington state's agricultural  
16 commodities in local, domestic, and foreign markets;

17 (c) Protect the public by educating the public in reference to the  
18 quality, care, and methods used in the production of Washington state's  
19 agricultural commodities;

20 (d) Increase the knowledge of the health-giving qualities and  
21 dietetic value of Washington state's agricultural commodities and  
22 products; and

23 (e) Support and engage in programs or activities that benefit the  
24 planting, production, harvesting, handling, processing, marketing, and  
25 uses of agricultural commodities produced in Washington state;

26 (4) That the director seek to enhance, protect, and perpetuate the  
27 ability of the private sector to produce food and fiber, and seek to  
28 maintain the economic well-being of the agricultural industry in  
29 Washington state consistent with its regulatory activities and  
30 responsibilities;

31 (5) That the director is hereby authorized to implement,  
32 administer, and enforce this chapter through the adoption of marketing  
33 orders that establish commodity boards; and

34 (6) That this chapter is enacted in the exercise of the police  
35 powers of this state for the purpose of protecting the health, peace,  
36 safety, and general welfare of the people of this state.

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

1 This chapter and the rules adopted under it are only one aspect of  
2 the comprehensively regulated agricultural industry.

3 (1) Other laws applicable to agricultural commodities include the  
4 following chapters and the rules adopted thereunder:

5 Chapter 15.08 RCW Horticultural pests and diseases;  
6 Chapter 15.13 RCW Horticultural plants and facilities--Inspection  
7 and licensing;  
8 Chapter 15.14 RCW Planting stock;  
9 Chapter 15.15 RCW Certified seed potatoes;  
10 Chapter 15.17 RCW Standards of grades and packs;  
11 Chapter 15.19 RCW Certification and inspection of ginseng;  
12 Chapter 15.30 RCW Controlled atmosphere storage of fruits and  
13 vegetables;  
14 Chapter 15.49 RCW Seeds;  
15 Chapter 15.53 RCW Commercial feed;  
16 Chapter 15.54 RCW Fertilizers, minerals, and limes;  
17 Chapter 15.58 RCW Washington pesticide control act;  
18 Chapter 15.60 RCW Apiaries;  
19 Chapter 15.64 RCW Farm marketing;  
20 Chapter 15.83 RCW Agricultural marketing and fair practices;  
21 Chapter 15.85 RCW Aquaculture marketing;  
22 Chapter 15.86 RCW Organic food products;  
23 Chapter 15.92 RCW Center for sustaining agriculture and natural  
24 resources;  
25 Chapter 17.24 RCW Insect pests and plant diseases;  
26 Chapter 19.94 RCW Weights and measures;  
27 Chapter 20.01 RCW Agricultural products--Commission merchants,  
28 dealers, brokers, buyers, agents;  
29 Chapter 22.09 RCW Agricultural commodities;  
30 Chapter 69.04 RCW Food, drugs, cosmetics, and poisons including  
31 provisions of 21 C.F.R. relating to the general manufacturing  
32 practices, food labeling, food standards, food additives, and pesticide  
33 tolerances;  
34 Chapter 69.07 RCW Washington food processing act;  
35 Chapter 69.25 RCW Washington wholesome eggs and egg products act;  
36 Chapter 69.28 RCW Honey;

37 7 U.S.C., section 136, Federal Insecticide, Fungicide, and  
38 Rodenticide Act.



1 (2) In addition to the laws and regulations listed in subsection  
2 (1) of this section that apply to the agricultural industry as a whole,  
3 the dry pea and lentil industry is regulated by or must comply with the  
4 additional laws and rules adopted under 7 U.S.C., chapter 38,  
5 Agricultural Marketing Act.

6 **Sec. 4.** RCW 15.65.040 and 2001 c 315 s 4 are each amended to read  
7 as follows:

8 (~~It is hereby declared to be the policy of this chapter~~) The  
9 director may adopt a marketing order that establishes a commodity board  
10 under this chapter for any of the following purposes:

11 (1) To aid agricultural producers in preventing economic waste in  
12 the marketing of their agricultural commodities and in developing more  
13 efficient methods of marketing agricultural products.

14 (2) To enable agricultural producers of this state, with the aid of  
15 the state:

16 (a) To develop, and engage in research for developing, better and  
17 more efficient production, irrigation, processing, transportation,  
18 handling, marketing, and utilization of agricultural products;

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

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

22 (d) To provide methods and means (including, but not limited to,  
23 public relations and promotion) for the maintenance of present markets  
24 and for the development of new or larger markets, both domestic and  
25 foreign, for agricultural commodities produced within this state and  
26 for the prevention, modification, or elimination of trade barriers  
27 which obstruct the free flow of such agricultural commodities to  
28 market;

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

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

33 (g) To provide information or communicate on matters pertaining to  
34 the production, irrigation, processing, transportation, marketing, or  
35 uses of an agricultural commodity produced in Washington state to any  
36 elected official or officer or employee of any agency;

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

- 1 (i) To provide information and services for meeting resource  
2 conservation objectives of producers of an agricultural commodity;  
3 (j) To engage in cooperative efforts in the domestic or foreign  
4 marketing of food products of an agricultural commodity;  
5 (k) To provide for commodity-related education and training; and  
6 (l) To accomplish all the declared policies of this chapter.  
7 (3) To protect the interest of consumers by assuring a sufficient  
8 pure and wholesome supply of agricultural commodities of good quality  
9 at all seasons and times.

10 **Sec. 5.** RCW 15.65.050 and 1961 c 256 s 5 are each amended to read  
11 as follows:

12 The director shall administer and enforce this chapter and it shall  
13 be his or her duty to carry out its provisions and put them into force  
14 in accordance with its terms, but issuance, amendment, modification,  
15 and/or suspension (~~(and/or termination)~~) of marketing agreements and  
16 orders and of any terms or provisions thereof shall be accomplished  
17 according to the procedures set forth in this chapter and not  
18 otherwise. Whenever he or she has reason to believe that the  
19 issuance(~~( )~~) or amendment (~~(or termination)~~) of a marketing agreement  
20 or order will tend to effectuate any declared policy or purpose of this  
21 chapter with respect to any agricultural commodity, and in the case of  
22 application for issuance or amendment ten or more producers of such  
23 commodity apply or (~~(in the case of application for termination ten~~  
24 ~~percent of the affected producers so apply)~~) when a petition for  
25 amendment is submitted by majority vote of a commodity board, then the  
26 director shall give due notice of, and an opportunity for, a public  
27 hearing upon such issuance(~~( )~~) or amendment (~~(or termination)~~), and  
28 (~~(he)~~) the director shall issue marketing agreements and orders  
29 containing the provisions specified in this chapter and from time to  
30 time amend (~~(or terminate)~~) the same whenever upon compliance with and  
31 on the basis of facts adduced in accordance with the procedural  
32 requirements of this chapter he or she shall find that such agreement,  
33 order, or amendment:

34 (1) Will tend to effectuate one or more of the declared policies of  
35 this chapter and is needed in order to effectuate the same.

36 (2) Is reasonably adapted to accomplish the purposes and objects  
37 for which it is issued and complies with the applicable provisions of  
38 this chapter.

1 (3) Has been approved or favored by the percentages of producers  
2 and/or handlers specified in and ascertained in accordance with this  
3 chapter.

4 **Sec. 6.** RCW 15.65.060 and 1961 c 256 s 6 are each amended to read  
5 as follows:

6 The director shall cause any (~~proposed~~) marketing agreement,  
7 order proposed for issuance, or amendment (~~or termination~~) to be set  
8 out in detailed form and reduced to writing, which writing is herein  
9 designated "proposal." The director shall make and maintain on file in  
10 the office of the department a copy of each proposal and a full and  
11 complete record of all notices, hearings, findings, decisions, assents,  
12 and all other proceedings relating to each proposal and to each  
13 marketing agreement and order.

14 NEW SECTION. **Sec. 7.** A new section is added to chapter 15.65 RCW  
15 to read as follows:

16 (1) The director may adopt rules necessary to carry out the  
17 director's duties and responsibilities under this chapter including:

18 (a) The issuance, amendment, or termination of marketing orders or  
19 agreements;

20 (b) Procedural, technical, or administrative rules which may  
21 address and include, but are not limited to:

22 (i) The submission of a petition to issue, amend, or terminate a  
23 marketing order or agreement under this chapter;

24 (ii) Nominations conducted under this chapter;

25 (iii) Elections of board members or referenda conducted under this  
26 chapter;

27 (iv) Actions of the director upon a petition to issue, amend, or  
28 terminate a marketing order or agreement;

29 (c) Rules that provide for a method to fund:

30 (i) The costs of staff support for all commodity boards and  
31 commissions in accordance with section 78 of this act if the position  
32 is not directly funded by the legislature; and

33 (ii) The actual costs related to the specific activity undertaken  
34 on behalf of an individual commodity board or commission.

35 (2) The director may adopt amendments to marketing agreements or  
36 orders without conducting a referendum if the amendments are adopted  
37 under the following criteria:

1 (a) The proposed amendments relate only to internal administration  
2 of a marketing order or agreement and are not subject to violation by  
3 a person;

4 (b) The proposed amendments adopt or incorporate by reference  
5 without material change federal statutes or regulations, Washington  
6 state statutes, or rules of other Washington state agencies, if the  
7 material adopted or incorporated regulates the same activities as are  
8 authorized under the marketing order or agreement;

9 (c) The proposed amendments only correct typographical errors, make  
10 address or name changes, or clarify language of a rule without changing  
11 the marketing order or agreement; and

12 (d) The content of the proposed amendments is explicitly and  
13 specifically dictated by statute.

14 **Sec. 8.** RCW 15.65.070 and 1987 c 393 s 5 are each amended to read  
15 as follows:

16 The director shall publish notice of any hearing called for the  
17 purpose of considering and acting upon any proposal for a period of not  
18 less than two days in one or more newspapers of general circulation as  
19 the director may prescribe. No such public hearing shall be held prior  
20 to five days after the last day of such period of publication. Such  
21 notice shall set forth the date, time and place of said hearing, the  
22 agricultural commodity and the area covered by such proposal; a concise  
23 statement of the proposal; a concise statement of each additional  
24 subject upon which the director will hear evidence and make a  
25 determination, and a statement that, and the address where, copies of  
26 the proposal may be obtained. The director shall also mail (~~a copy of~~  
27 ~~such~~) notice to all producers and handlers within the affected area  
28 who may be directly affected by such proposal and whose names and  
29 addresses appear, on the day next preceding the day on which such  
30 notice is published, upon lists of such persons then on file in the  
31 department.

32 **Sec. 9.** RCW 15.65.090 and 1961 c 256 s 9 are each amended to read  
33 as follows:

34 (~~In any and every hearing conducted pursuant to any provision of~~  
35 ~~this chapter~~) The director (~~and/or such examiner~~) shall have the  
36 power to issue subpoenas for the production of any books, records, or  
37 documents of any kind and to subpoena witnesses to be produced or to

1 appear (as the case may be) in the county wherein the principal party  
2 involved in such hearing resides. No person shall be excused from  
3 attending and testifying or from producing documentary evidence before  
4 the director in obedience to the subpoena of the director on the ground  
5 or for the reason that the testimony or evidence, documentary or  
6 otherwise, required of him or her may tend to incriminate him or her or  
7 subject him or her to a penalty or forfeiture, but no natural person  
8 shall be prosecuted or subject to any penalty or forfeiture for or on  
9 account of any transaction, matter or thing concerning which he or she  
10 may be so required to testify or produce evidence, documentary or  
11 otherwise, before the director in obedience to a subpoena issued by him  
12 or her: PROVIDED, That no natural person so testifying shall be exempt  
13 from prosecution and punishment for perjury committed in so testifying.  
14 The superior court of the county in which any such hearing or  
15 proceeding may be had, may compel the attendance of witnesses and the  
16 production of records, papers, books, accounts, documents and testimony  
17 as required by such subpoena. In case any witness refuses to attend or  
18 testify or produce any papers required by the subpoena, the director or  
19 his or her examiner shall so report to the superior court of the county  
20 in which the proceeding is pending by petition setting forth that due  
21 notice was given of the time and place of attendance of ((said)) the  
22 witness or the production of ((said)) the papers and that the witness  
23 has been summoned in the manner prescribed in this chapter and that the  
24 fees and mileage of the witness have been paid or tendered to him or  
25 her in accordance with RCW 2.40.020 and that he or she has failed to  
26 attend or produce the papers required by the subpoena at the hearing,  
27 cause, or proceeding specified in the notice and subpoena, or has  
28 refused to answer questions propounded to him or her in the course of  
29 such hearing, cause or proceeding, and shall ask an order of the court  
30 to compel such witness to appear and testify before the director. The  
31 court upon such petition shall enter an order directing the witness to  
32 appear before the court at a time and place to be fixed in such order  
33 and then and there show cause why he or she has not responded to the  
34 subpoena. A certified copy of the show cause order shall be served  
35 upon the witness. If it shall appear to the court that the subpoena  
36 was regularly issued, the court shall enter a decree that ((said)) the  
37 witness appear at the time and place fixed in the decree and testify or  
38 produce the required papers, and on failing to obey said decree the  
39 witness shall be dealt with as for contempt of court.

1       **Sec. 10.** RCW 15.65.120 and 1985 c 261 s 3 are each amended to read  
2 as follows:

3       The recommended decision shall contain the text in full of any  
4 recommended agreement, order, or amendment (~~((or termination))~~), and may  
5 deny or approve the proposal in its entirety, or it may recommend a  
6 marketing agreement, order, or amendment (~~((or termination))~~) containing  
7 other or different terms or conditions from those contained in the  
8 proposal: PROVIDED, That the same shall be of a kind or type  
9 substantially within the purview of the notice of hearing and shall be  
10 supported by evidence taken at the hearing or by documents of which the  
11 director is authorized to take official notice. The final decision  
12 shall set out in full the text of the agreement, order, or amendment  
13 (~~((or termination))~~) covered thereby, and the director shall issue and  
14 deliver or mail copies of (~~(said)~~) the final decision to all producers  
15 and handlers within the affected area who may be directly affected by  
16 such final decision and whose names and addresses appear, on the day  
17 next preceding the day on which such final decision is issued, upon the  
18 lists of such persons then on file in the department, and to all  
19 parties of record appearing at the hearing, or their attorneys of  
20 record. If the final decision denies the proposal in its entirety no  
21 further action shall be taken by the director.

22       **Sec. 11.** RCW 15.65.170 and 1987 c 393 s 6 are each amended to read  
23 as follows:

24       If the director determines that the requisite assent has been given  
25 (~~((he shall issue and put any order or amendment thereto into force,~~  
26 ~~whereupon each and every provision thereof shall have the force of law.~~  
27 ~~Issuance shall be accomplished by publication of a notice for one day~~  
28 ~~in a newspaper of general circulation in the affected area. The notice~~  
29 ~~shall state that the order has been issued and put into force and where~~  
30 ~~copies of such order may be obtained))~~ to issue or amend a marketing  
31 order, the issuance or amendment shall be adopted by rule by the  
32 director within thirty days of the validation of the vote. If the  
33 director determines that the requisite assent has not been given no  
34 further action shall be taken by the director upon the proposal, and  
35 the order contained in the final decision shall be without force or  
36 effect.

1        NEW SECTION.    **Sec. 12.**    A new section is added to chapter 15.65 RCW  
2 to read as follows:

3        The director shall not be required to hold a public hearing or a  
4 referendum more than once in any twelve-month period on petitions to  
5 issue, amend, or terminate a commodity marketing order if any of the  
6 following circumstances are present:

7        (1) The petition proposes to establish a marketing order or  
8 agreement for the same commodity;

9        (2) The petition proposes the same or a similar amendment to a  
10 marketing order or agreement; or

11       (3) The petition proposes to terminate the same marketing order or  
12 agreement.

13       **Sec. 13.**    RCW 15.65.180 and 1961 c 256 s 18 are each amended to  
14 read as follows:

15       The director may, upon the advice of the commodity board serving  
16 under any marketing agreement or order and without compliance with the  
17 provisions of RCW 15.65.050 through 15.65.170(

18       ~~(1) Amend any marketing agreement or order as to any minor matter  
19 or wording which does not substantially alter the provisions and  
20 intention of such agreement or order;~~

21       ~~(2))~~, suspend any such agreement or order or term or provision  
22 thereof for a period of not to exceed one year, if ~~((he))~~ the director  
23 finds that such suspension will tend to effectuate the declared policy  
24 of this chapter~~((: PROVIDED, That))~~. Any ~~((such))~~ suspension of all  
25 or substantially all of ~~((such))~~ a marketing agreement or order by the  
26 director shall not become effective until the end of the then current  
27 marketing season.

28       NEW SECTION.    **Sec. 14.**    A new section is added to chapter 15.65 RCW  
29 to read as follows:

30       The director may terminate a marketing order or agreement in  
31 accordance with this chapter.

32       (1) To terminate a marketing order or agreement:

33       (a) The director must receive a petition by affected producers  
34 under this chapter signed by at least ten percent of the affected  
35 producers; or

36       (b) A majority of a commodity board may file a petition with the  
37 director.

1 (2) The petitioners must include in the petition at the time of  
2 filing:

3 (a) A statement of why the marketing order or agreement and the  
4 commodity board created under it no longer meets the purposes of this  
5 chapter;

6 (b) The name of a person designated to represent the petitioners;  
7 and

8 (c) The effective date of a marketing order or agreement  
9 termination, which may not be less than one year from the date the  
10 petition was filed with the director.

11 (3) Within sixty days of receipt of a petition meeting the  
12 requirements of this section, the director shall commence rule-making  
13 proceedings to repeal the marketing order or agreement and,  
14 subsequently, a referendum on the issue.

15 (4) The director shall include a copy of a petition to terminate a  
16 marketing order or agreement with the notice to affected producers when  
17 rule-making proceedings are commenced.

18 (5) If the petitioners fail to meet the requirements of this  
19 chapter, the director shall deny the petition and a referendum vote  
20 will not be conducted. The person designated to represent the  
21 petitioners shall be notified if a petition is denied.

22 NEW SECTION. Sec. 15. A new section is added to chapter 15.65 RCW  
23 to read as follows:

24 Except as provided in RCW 15.65.190 or subsection (4) of this  
25 section, the director, prior to termination of the marketing order or  
26 agreement, shall conduct a referendum as provided in this chapter, the  
27 rules adopted by the director, and the applicable marketing order or  
28 agreement.

29 (1) If a referendum on the termination of a marketing order or  
30 agreement is assented to, the referendum proposal shall be adopted by  
31 the director within thirty days of the count of the ballots and shall  
32 go into effect under chapter 34.05 RCW. If those affected producers  
33 eligible to vote in the referendum do not assent, no further action  
34 shall be taken by the director on the proposal.

35 (2) The list of affected producers used for conducting a referendum  
36 on the termination of a marketing order or agreement shall be kept in  
37 the rule-making file by the director. The list shall be certified as  
38 a true representation of the referendum mailing list. Inadvertent



1 failure to notify an affected producer does not invalidate a  
2 referendum.

3 (3) The list of affected producers that is certified as the true  
4 representation of the mailing list of a referendum shall be used to  
5 determine assent as provided for in RCW 15.65.190.

6 (4) If the director determines that one hundred percent of the  
7 affected producers have filed a written application with the director  
8 requesting that a marketing order or agreement be terminated, the  
9 director may terminate the marketing order or agreement without  
10 conducting a referendum. The termination of the marketing order or  
11 agreement shall go into effect under chapter 34.05 RCW, but no sooner  
12 than at the end of the marketing season then current.

13 NEW SECTION. **Sec. 16.** A new section is added to chapter 15.65 RCW  
14 to read as follows:

15 If after complying with the procedures outlined in this chapter and  
16 a referendum proposal to terminate a marketing order or agreement is  
17 assented to, the affected commodity board shall:

18 (1) Document the details of all measures undertaken to terminate  
19 the marketing order and identify and document all closing costs;

20 (2) Contact the office of the state auditor and arrange for a final  
21 audit of the commodity board. Payment for the audit shall be from  
22 commodity board funds and identified in the budget for closing costs;

23 (3) Provide for the reimbursement to affected producers of moneys  
24 collected by assessment. Reimbursement shall be made to those  
25 considered affected producers over the previous three-year time frame  
26 on a pro rata basis and at a percent commensurate with their volume of  
27 production over the previous three-year period unless a different time  
28 period is specified in the marketing order or agreement. If the  
29 commodity board finds that the amounts of moneys are so small as to  
30 make impractical the computation and remitting of the pro rata refund,  
31 the moneys shall be paid into the state treasury as unclaimed trust  
32 moneys; and

33 (4) Transfer all remaining files to the department for storage and  
34 archiving, as appropriate.

35 **Sec. 17.** RCW 15.65.200 and 1985 c 261 s 8 are each amended to read  
36 as follows:

1       (1) Whenever application is made for the issuance of a marketing  
2 agreement or order or the director otherwise determines to hold a  
3 hearing for the purpose of such issuance, the director or ((his)) a  
4 designee shall ((cause lists to be prepared from any information which  
5 he has at hand or which he may obtain from producers, associations of  
6 producers and handlers of the affected commodity. Such lists shall  
7 contain the names and addresses of persons who produce the affected  
8 commodity within the affected area, the amount of such commodity  
9 produced by each such person during the period which the director  
10 determines for the purposes of the agreement or order to be  
11 representative, and the name of any cooperative association authorized  
12 to market for him within the affected area the commodity specified in  
13 the marketing agreement or order. Such lists shall also contain the  
14 names and addresses of persons who handle the affected commodity within  
15 the affected area and the amount of such commodity handled by each  
16 person during the period which the director determines for the purposes  
17 of the agreement or order to be representative. Any qualified person  
18 may at any time have his name placed upon any list for which he  
19 qualifies by delivering or mailing his name, address and other  
20 information to the director and in such case the director shall verify  
21 such person's qualifications and if he qualifies, place his name upon  
22 such list. At every hearing upon the issuance, amendment or  
23 termination of such order or agreement the director or his designee  
24 shall take evidence for the purpose of making such lists complete and  
25 accurate and he may employ his powers of subpoena of witnesses and of  
26 books, records and documents for such purpose. After every such  
27 hearing the director shall compile, complete, correct and bring lists  
28 up to date in accordance with the evidence and information obtained at  
29 such hearing. For all purposes of giving notice, holding referenda and  
30 electing members of commodity boards, the lists on hand corrected up to  
31 the day next preceding the date for issuing notices or ballots as the  
32 case may be shall, for all purposes of this chapter, be deemed to be  
33 the list of all persons entitled to notice or to assent or dissent or  
34 to vote)) establish a list of affected parties along with volume of  
35 production data covering a minimum three-year period, or in such lesser  
36 time as the affected party has produced the commodity in question, from  
37 information provided by the petitioners, by obtaining information on  
38 affected parties from applicable producer, handler, or processor

1 organizations or associations or other sources identified as  
2 maintaining the information.

3 (2) The director shall use the list of affected parties for the  
4 purpose of notice, referendum proceedings, and electing and selecting  
5 members of commodity boards in accordance with this chapter.

6 (3) An affected party may at any time file his or her name and  
7 mailing address with the director. A list of affected parties may be  
8 brought up-to-date by the director up to the day preceding a mailing of  
9 a notice or ballot under this chapter and that list is deemed the list  
10 of affected parties entitled to vote.

11 (4) The list of affected parties used for the issuance of a  
12 marketing order or agreement shall be kept in a file maintained by the  
13 director. The list shall be certified as a true representation of the  
14 mailing list. Inadvertent failure to notify an affected party does not  
15 invalidate a proceeding conducted under this chapter.

16 (5) The list of affected parties that is certified as the true  
17 representation of the mailing list of a referendum shall be used to  
18 determine assent as provided in this chapter.

19 (6) The director shall provide the commodity board the list of  
20 affected and interested parties once a marketing order or agreement is  
21 adopted and a commodity board is established as provided in this  
22 chapter.

23 NEW SECTION. Sec. 18. A new section is added to chapter 15.65 RCW  
24 to read as follows:

25 (1) Pursuant to RCW 42.17.31907, certain agricultural business  
26 records, commodity board records, and department of agriculture records  
27 relating to commodity boards and producers of agricultural commodities  
28 are exempt from public disclosure.

29 (2) Financial and commercial information and records submitted to  
30 either the department or a commodity board for the purpose of  
31 administering this chapter or a marketing order or agreement may be  
32 shared between the department and the applicable commodity board. They  
33 may also be used, if required, in any suit or administrative hearing  
34 involving this chapter or a marketing order or agreement.

35 (3) This chapter does not prohibit:

36 (a) The issuance of general statements based upon the reports of a  
37 number of persons subject to any marketing order or agreement as long

1 as the statements do not identify the information furnished by any  
2 person; or

3 (b) The publication by the director or a commodity board of the  
4 name of any person violating any marketing order or agreement and a  
5 statement of the manner of the violation by that person.

6 NEW SECTION. Sec. 19. A new section is added to chapter 15.65 RCW  
7 to read as follows:

8 (1) Upon completion of any vote, referendum, or nomination and  
9 elections, the department shall tally the results of the vote and  
10 provide the results to affected parties.

11 (2) If an affected party disputes the results of a vote, that  
12 affected party, within sixty days from the announced results, shall  
13 provide in writing a statement of why the vote is disputed and request  
14 a recount.

15 (3) Once the vote is tallied and distributed, all disputes are  
16 resolved, and all matters in a vote are finalized, the individual  
17 ballots may be destroyed.

18 **Sec. 20.** RCW 15.65.220 and 1961 c 256 s 22 are each amended to  
19 read as follows:

20 (1) Every marketing agreement and order shall provide for the  
21 establishment of a commodity board of not less than five nor more than  
22 thirteen members and shall specify the exact number thereof and all  
23 details as to (a) qualification, (b) nomination, (c) election or  
24 appointment by the director, (d) term of office, and (e) powers,  
25 duties, and all other matters pertaining to such board.

26 (2) The members of the board shall be producers or handlers or both  
27 in such proportion as the director shall specify in the marketing  
28 agreement or order, but in any marketing order or agreement the number  
29 of handlers on the board shall not exceed the number of producers  
30 thereon. The marketing order or agreement may provide that a majority  
31 of the board be appointed by the director, but in any event, no less  
32 than one-third of the board members shall be elected by the affected  
33 producers.

34 (3) In the event that the marketing order or agreement provides  
35 that a majority of the commodity board be appointed by the director,  
36 the marketing order or agreement shall incorporate either the  
37 provisions of section 24 or 25 of this act for board member selection.

1       (4) The director shall appoint to every ~~((such))~~ board one  
2 ~~((person))~~ member who ~~((is neither a producer nor a handler to))~~  
3 represents the ~~((department and the public generally))~~ director. The  
4 director shall be a voting member of each commodity board.

5       **Sec. 21.** RCW 15.65.230 and 2001 c 315 s 5 are each amended to read  
6 as follows:

7       A producer member of each commodity board must be a practical  
8 producer of the affected commodity and must be a citizen, resident of  
9 this state, and over the age of eighteen years. Each producer board  
10 member must be and have been actually engaged in producing such a  
11 commodity within the state of Washington for a period of five years and  
12 have, during that period, derived a substantial portion of his or her  
13 income therefrom and not be engaged in business, directly or  
14 indirectly, as a handler or other dealer. A handler member of each  
15 board must be a practical handler of the affected commodity and must be  
16 a citizen, resident of this state, and over the age of ~~((twenty-five))~~  
17 eighteen years. Each handler board member must be and have been,  
18 either individually or as an officer or employee of a corporation,  
19 firm, partnership, association, or cooperative, actually engaged in  
20 handling such a commodity within the state of Washington for a period  
21 of five years and have, during that period, derived a substantial  
22 portion of his or her income therefrom. The qualification of a member  
23 of the board as set forth in this section must continue during the term  
24 of office.

25       **Sec. 22.** RCW 15.65.235 and 1971 c 25 s 1 are each amended to read  
26 as follows:

27       Whenever any commodity board is formed under the provisions of this  
28 chapter and it only affects producers and producer-handlers, then such  
29 producer-handlers shall be considered to be acting only as producers  
30 for purpose of ~~((election and))~~ membership on a commodity board:  
31 PROVIDED, That this section shall not apply to a commodity board which  
32 only affects producers and producer-handlers of essential oils.

33       **Sec. 23.** RCW 15.65.240 and 1961 c 256 s 24 are each amended to  
34 read as follows:

35       The term of office of board members shall be three years, and one-  
36 third as nearly as may be shall be elected or appointed every year:

1 PROVIDED, That at the inception of any agreement or order the entire  
2 board shall be elected or appointed one-third for a term of one year,  
3 one-third for a term of two years and one-third for a term of three  
4 years to the end that memberships on such board shall be on a rotating  
5 basis. In the event an order or agreement provides that both producers  
6 and handlers shall be members of such board the terms of each type of  
7 member shall be so arranged that one-third of the handler members as  
8 nearly as may be and one-third of the producer members as nearly as may  
9 be shall be elected or appointed each year.

10 Any marketing agreement or order may provide for election or  
11 appointment of board members by districts, in which case district lines  
12 and the number of board members to be elected or appointed from each  
13 district shall be specified in such agreement or order and upon such  
14 basis as the director finds to be fair and equitable and reasonably  
15 adapted to effectuate the declared policies of this chapter.

16 NEW SECTION. Sec. 24. A new section is added to chapter 15.65 RCW  
17 to read as follows:

18 (1) This section or section 25 of this act applies when the  
19 director appoints a majority of the board positions as set forth under  
20 RCW 15.65.220(3).

21 (2) Candidates for director-appointed board positions on a  
22 commodity board shall be nominated under RCW 15.65.250.

23 (3) The director shall cause an advisory vote to be held for the  
24 director-appointed positions. Not less than ten days in advance of the  
25 vote, advisory ballots shall be mailed to all producers or handlers  
26 entitled to vote, if their names appear upon the list of affected  
27 parties or affected producers or handlers, whichever is applicable.  
28 Notice of every advisory vote for board membership shall be published  
29 in a newspaper of general circulation within the affected area defined  
30 in the order or agreement not less than ten days in advance of the date  
31 of the vote. The advisory ballot shall be conducted in a manner so  
32 that it is a secret ballot. The names of the two candidates receiving  
33 the most votes in the advisory vote shall be forwarded to the director  
34 for potential appointment to the board. In the event there are only  
35 two candidates nominated for a board position, an advisory vote may not  
36 be held and the candidates' names shall be forwarded to the director  
37 for potential appointment.

1 (4) The candidates whose names are forwarded to the director for  
2 potential appointment shall submit to the director a letter stating why  
3 he or she wishes to be appointed to the board. The director may select  
4 either person for the position.

5 NEW SECTION. **Sec. 25.** A new section is added to chapter 15.65 RCW  
6 to read as follows:

7 (1) This section or section 24 of this act applies when the  
8 director appoints a majority of the board positions as set forth under  
9 RCW 15.65.220(3).

10 (2) Candidates for director-appointed board positions on a  
11 commodity board shall be nominated under RCW 15.65.250.

12 (3) The director shall cause an advisory vote to be held for the  
13 director-appointed positions. Not less than ten days in advance of the  
14 vote, advisory ballots shall be mailed to all producers or handlers  
15 entitled to vote, if their names appear upon the list of affected  
16 parties or affected producers or handlers, whichever is applicable.  
17 Notice of every advisory vote for board membership shall be published  
18 in a newspaper of general circulation within the affected area defined  
19 in the order or agreement not less than ten days in advance of the date  
20 of the vote. The advisory ballot shall be conducted in a manner so  
21 that it is a secret ballot. The name of the candidate receiving the  
22 most votes in the advisory vote shall be forwarded to the director for  
23 appointment to the commodity board.

24 (4) The director shall appoint the candidate receiving the most  
25 votes in an advisory ballot unless the candidate fails to meet the  
26 qualifications of commodity board members under this chapter and the  
27 marketing order. In the event the director rejects the candidate  
28 receiving the most votes, the position is vacant and shall be filled  
29 under RCW 15.65.270(2).

30 **Sec. 26.** RCW 15.65.250 and 1987 c 393 s 7 are each amended to read  
31 as follows:

32 For the purpose of nominating candidates (~~((to be voted upon))~~) for  
33 (~~((election to such))~~) board memberships, the director shall call  
34 separate meetings of the affected producers and handlers within the  
35 affected area and in case elections shall be by districts (~~((he))~~) the  
36 director shall call separate meetings for each district. However, at  
37 the inception any marketing agreement or order nominations may be at

1 the issuance hearing. Nomination meetings shall be called annually and  
2 at least thirty days in advance of the date set for the election of  
3 board members. Notice of every such meeting shall be published in a  
4 newspaper of general circulation within the affected area defined in  
5 the order or agreement not less than ten days in advance of the date of  
6 such meeting and in addition, written notice of every such meeting  
7 shall be given to all on the list of affected parties or affected  
8 producers and/or handlers ((according to the list thereof maintained by  
9 the director pursuant to RCW 15.65.200)), whichever is applicable.  
10 However, if the agreement or order provides for election by districts  
11 such written notice need be given only to the producers or handlers  
12 residing in or whose principal place of business is within such  
13 district. Nonreceipt of notice by any interested person shall not  
14 invalidate proceedings at such meetings. Any qualified person may be  
15 nominated orally for membership upon such board at the said meetings.  
16 Nominations may also be made within five days after any such meeting by  
17 written petition filed with the director signed by not less than five  
18 producers or handlers, as the case may be, entitled to have  
19 participated in said meeting.

20 If the board moves and the director approves that the nomination  
21 meeting procedure be deleted, the director shall give notice of the  
22 vacancy by mail to all affected producers or handlers. The notice  
23 shall call for nominations in accordance with the marketing order or  
24 agreement and shall give the final date for filing nominations which  
25 shall not be less than twenty days after the notice was mailed.

26 Not more than one board member may be part of the same "person" as  
27 defined by this chapter. When only one nominee is nominated for any  
28 position on the board, the director shall ~~((deem that said nominee~~  
29 ~~satisfies the requirements of the position and then it shall be deemed~~  
30 ~~that said nominee has been duly))~~ determine whether the nominee meets  
31 the qualifications for the position and, if so, the director shall  
32 declare the nominee elected or appoint the nominee to the position.

33 **Sec. 27.** RCW 15.65.260 and 1985 c 261 s 10 are each amended to  
34 read as follows:

35 (1) The elected members of every ~~((such))~~ commodity board shall be  
36 elected by secret mail ballot under the supervision of the director.  
37 Elected producer members of ~~((such))~~ the board shall be elected by a  
38 majority of the votes cast by the affected producers within the



1 affected area, but if the marketing order or agreement provides for  
2 districts such producer members of the board shall be elected by a  
3 majority of the votes cast by the affected producers in the respective  
4 districts. Each affected producer within the affected area shall be  
5 entitled to one vote. Elected handler members of the board shall be  
6 elected by a majority of the votes cast by the affected handlers within  
7 the affected area, but if the marketing order or agreement provides for  
8 districts such handler members of the board shall be elected by a  
9 majority of the votes cast by the affected handlers in the respective  
10 districts. Each affected handler within the affected area shall be  
11 entitled to one vote.

12 If a nominee does not receive a majority of the votes on the first  
13 ballot a run-off election shall be held by mail in a similar manner  
14 between the two candidates for such position receiving the largest  
15 number of votes.

16 (2) Notice of every election for board membership shall be  
17 published in a newspaper of general circulation within the affected  
18 area defined in the order or agreement not less than ten days in  
19 advance of the date of such election. Not less than ten days prior to  
20 every election for board membership, the director shall mail a ballot  
21 of the candidates to each producer and handler entitled to vote whose  
22 name appears upon the list (~~((thereof compiled and maintained by the  
23 director in accordance with RCW 15.65.200))~~) of affected parties or  
24 affected producers or handlers, whichever is applicable. Any other  
25 producer or handler entitled to vote may obtain a ballot by application  
26 to the director upon establishing his or her qualifications.  
27 Nonreceipt of a ballot by any person entitled to vote shall not  
28 invalidate the election of any board member.

29 **Sec. 28.** RCW 15.65.270 and 2001 2nd sp.s. c 6 s 1 are each amended  
30 to read as follows:

31 (1) In the event of a vacancy in an elected position on the board,  
32 the remaining board members shall select a qualified person to fill the  
33 (~~((unexpired term. A majority of the voting members of the board shall  
34 constitute a quorum for the transaction of all business and the  
35 carrying out of all duties of the board.))~~) vacant position for the  
36 remainder of the current term or as provided in the marketing order or  
37 agreement.

1       (2) In the event of a vacancy on the board in a position appointed  
2 by the director, the remaining board members shall recommend to the  
3 director a qualified person for appointment to the vacant position.  
4 The director shall appoint the person recommended by the board unless  
5 the person fails to meet the qualifications of board members under this  
6 chapter and the marketing order or agreement.

7       (3) A majority of the voting members of the board shall constitute  
8 a quorum for the transaction of all business and the carrying out of  
9 all duties of the board.

10       (4) Each member of the board shall be compensated in accordance  
11 with RCW 43.03.230. Members and employees of the board may be  
12 reimbursed for actual travel expenses incurred in carrying out the  
13 provisions of this chapter, as defined under the commodity board's  
14 marketing order or agreement. Otherwise, if not defined or referenced  
15 in the marketing order or agreement, reimbursement for travel expenses  
16 shall be at the rates allowed state employees in accordance with RCW  
17 43.03.050 and 43.03.060.

18       **Sec. 29.** RCW 15.65.280 and 2001 c 315 s 6 are each amended to read  
19 as follows:

20       The powers and duties of the board shall be:

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

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

25       (3) To recommend to the director administrative rules(~~(7~~  
26 ~~regulations)) and orders and amendments thereto for the exercise of his  
27 or her powers in connection with such agreement or order;~~

28       (4) To advise the director upon any and all assessments provided  
29 pursuant to the terms of such agreement or order and upon the  
30 collection, deposit, withdrawal, disbursement and paying out of all  
31 moneys;

32       (5) To assist the director in the collection of such necessary  
33 information and data as the director may deem necessary in the proper  
34 administration of this chapter;

35       (6) To administer the order or agreement as its administrative  
36 board if the director designates it so to do in such order or  
37 agreement;

1 (7) To work cooperatively with other local, state, and federal  
2 agencies; universities; and national organizations for the purposes  
3 provided in the board's marketing order or agreement;

4 (8) To enter into contracts or interagency agreements with any  
5 private or public agency, whether federal, state, or local, to carry  
6 out the purposes provided in the board's marketing order or agreement.

7 Personal service contracts must comply with chapter 39.29 RCW;

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

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

16 (11) To engage in appropriate fund-raising activities for the  
17 purpose of supporting activities of the board authorized by the  
18 marketing order or agreement;

19 (12) To enter into contracts or agreements for research in the  
20 production, irrigation, processing, transportation, marketing, use, or  
21 distribution of an affected commodity;

22 (13) To participate in international, federal, state, and local  
23 hearings, meetings, and other proceedings relating to the production,  
24 irrigation, manufacture, regulation, transportation, distribution,  
25 sale, or use of affected commodities including activities authorized  
26 under RCW 42.17.190, including the reporting of those activities to the  
27 public disclosure commission; ((and))

28 (14) To maintain a list of the names and addresses of affected  
29 producers that may be compiled from information used to collect  
30 assessments under the marketing order or agreement, and data on the  
31 value of each producer's production for a minimum three-year period;

32 (15) To maintain a list of the names and addresses of persons who  
33 handle the affected commodity within the affected area and data on the  
34 amount and value of the commodity handled for a minimum three-year  
35 period by each person; and

36 (16) To perform such other duties as the director may prescribe in  
37 the marketing agreement or order.

38 Any agreement or order under which the commodity board administers  
39 the order or agreement shall (if so requested by the affected producers

1 within the affected area in the proposal or promulgation hearing)  
2 contain provisions whereby the director reserves the power to approve  
3 or disapprove every order, rule or directive issued by the board, in  
4 which event such approval or disapproval shall be based on whether or  
5 not the director believes the board's action has been carried out in  
6 conformance with the purposes of this chapter.

7 NEW SECTION. **Sec. 30.** A new section is added to chapter 15.65 RCW  
8 to read as follows:

9 (1) Each commodity board shall prepare a list of all affected  
10 producers from any information available from the department,  
11 producers, producer associations or organizations, or handlers of the  
12 affected commodity. This list shall contain the names and addresses of  
13 all affected persons who produce the affected commodity and the amount,  
14 by unit, of the affected commodity produced during at least the past  
15 three years.

16 (2) Each commodity board shall prepare a list of all persons who  
17 handle the affected commodity and the amount of the commodity handled  
18 by each person during at least the past three years.

19 (3) It is the responsibility of all affected parties to ensure that  
20 their correct address is filed with the commodity board. It is also  
21 the responsibility of affected parties to submit production data and  
22 handling data to the commodity board as prescribed by the board's  
23 marketing order or agreement.

24 (4) Any qualified person may, at any time, have his or her name  
25 placed upon any list for which he or she qualifies by delivering or  
26 mailing the information to the commodity board. The lists shall be  
27 corrected and brought up-to-date in accordance with evidence and  
28 information provided to the commodity board.

29 (5) At the director's request, the commodity board shall provide  
30 the director a list of affected producers or handlers that is certified  
31 by the commodity board to be complete according to the commodity  
32 board's records. The list shall contain all information required by  
33 the director to conduct a referendum or board member election or  
34 selection under this chapter and the marketing order or agreement.

35 (6) For all purposes of giving notice, holding referenda, and  
36 electing or selecting members of a commodity board, the applicable list  
37 corrected up to the day preceding the date the list is certified by the  
38 commodity board and mailed to the director is deemed to be the list of

1 all affected producers or affected handlers, as applicable, entitled to  
2 notice or to vote. Inadvertent failure to notify an affected producer  
3 or handler does not invalidate a proceeding conducted under this  
4 chapter.

5 NEW SECTION. **Sec. 31.** A new section is added to chapter 15.65 RCW  
6 to read as follows:

7 Agricultural commodity boards shall adopt rules governing  
8 promotional hosting expenditures by commodity board employees, agents,  
9 or board members under RCW 15.04.200.

10 **Sec. 32.** RCW 15.65.375 and 1988 c 54 s 1 are each amended to read  
11 as follows:

12 Any marketing agreement or order may authorize the members of a  
13 commodity board, or their agents or designees, to participate in  
14 federal or state hearings or other proceedings concerning regulation of  
15 the manufacture, distribution, sale, or use of any pesticide as defined  
16 by RCW 15.58.030(~~((+1))~~) (30) or any agricultural chemical which is of  
17 use or potential use in producing the affected commodity. Any  
18 marketing agreement or order may authorize the expenditure of commodity  
19 board funds for this purpose.

20 **Sec. 33.** RCW 15.65.380 and 1961 c 256 s 38 are each amended to  
21 read as follows:

22 Any marketing agreement or order may contain any other, further,  
23 and different provisions which are incidental to and not inconsistent  
24 with this chapter and which the director finds to be needed and  
25 reasonably adapted to effectuate the declared policies of this chapter.  
26 ~~((Such))~~ The provisions shall set forth the detailed application of  
27 this chapter to the affected agricultural commodity. ~~((The director or  
28 his designee shall have the power to make rules and regulations of a  
29 technical or administrative nature under this chapter and/or under any  
30 agreement or order issued pursuant to this chapter.))~~

31 **Sec. 34.** RCW 15.65.430 and 1961 c 256 s 43 are each amended to  
32 read as follows:

33 Any moneys collected or received by the director or his or her  
34 designee pursuant to the provisions of any marketing agreement or order  
35 during or with respect to any season or year may be refunded on a pro

1 rata basis at the close of such season or year or at the close of such  
2 longer period as the director determines to be reasonably adapted to  
3 effectuate the declared policies of this chapter and the purposes of  
4 such marketing agreement or order, to all persons from whom such moneys  
5 were collected or received, or may be carried over into and used with  
6 respect to the next succeeding season, year or period whenever the  
7 director or ((his)) a designee finds that the same will tend to  
8 effectuate such policies and purposes. ((Upon the termination of any  
9 marketing agreement or order, any and all moneys remaining, and not  
10 required to defray the expenses or repay the obligations incurred and  
11 undertaken pursuant to such agreement or order, shall be returned by  
12 the director upon a pro rata basis to all persons from whom such moneys  
13 were collected or received. However, if the director finds that the  
14 amounts so returnable are so small as to make impractical the  
15 computation and remitting of such pro rata refund to such persons, the  
16 director may use such moneys to defray expenses incurred by him in the  
17 formulation, issuance, administration or enforcement of any subsequent  
18 marketing agreement or order for such commodity. Thereafter, if there  
19 are any such moneys remaining which have not been used by the director  
20 as hereinabove provided, the same shall be withdrawn from the approved  
21 depository and paid into the state treasury as unclaimed trust  
22 moneys.))

23 **Sec. 35.** RCW 15.65.450 and 1961 c 256 s 45 are each amended to  
24 read as follows:

25 Prior to the issuance of any marketing agreement or order, the  
26 director may require the applicants therefor to deposit with him or her  
27 such amount of money as the director may deem necessary to defray the  
28 expenses of preparing and making effective such agreement or order.  
29 ((The director or his designee may reimburse the applicant from any  
30 moneys received by him under such agreement or order for any moneys so  
31 deposited by such applicant and/or for any necessary expenses incurred  
32 by such applicant in preparing and obtaining approval of such marketing  
33 agreement or order upon receipt of a verified statement of such expense  
34 approved by the director or his designee.))

35 (1) A commodity board shall reimburse the department for expenses  
36 incurred by the department when a commodity board petitions the  
37 director to amend or terminate a marketing order or agreement and for  
38 other services provided by the department under this chapter. The

1 department shall provide to a commodity board an estimate of expenses  
2 that may be incurred to amend or terminate a marketing order or  
3 agreement prior to any services taking place.

4 (2) Petitioners who are not a majority of a commodity board, and  
5 who file a petition with the director to issue, amend, or terminate a  
6 marketing order or agreement, shall deposit funds with the director to  
7 pay for expenses incurred by the department, under rules adopted by the  
8 director.

9 (3) A commodity board shall reimburse petitioners the amount paid  
10 to the department under the following circumstances:

11 (a) If the petition is to issue a marketing order or agreement, the  
12 commodity board shall reimburse the petitioners the amount expended by  
13 the department when funds become available after establishment of the  
14 commodity board; or

15 (b) If the petition is to amend or terminate a marketing order or  
16 agreement and the proposal is assented to by the affected parties or  
17 affected producers, the commodity board shall reimburse the petitioners  
18 within thirty days of the referendum.

19 (4) If for any reason a proceeding is discontinued, the commodity  
20 board or petitioners, whichever is applicable, shall only reimburse the  
21 department for expenses incurred by the department up until the time  
22 the proceeding is discontinued.

23 **Sec. 36.** RCW 15.65.570 and 1961 c 256 s 57 are each amended to  
24 read as follows:

25 (1) All proceedings ((held by the director for the promulgation of  
26 any marketing agreement or order and the amendment, modification, or  
27 dissolution thereof and all proceedings concerning the promulgation of  
28 any rules or regulations or the amendment or modification thereof and  
29 appeals therefrom)) conducted under this chapter shall be subject to  
30 the provisions of chapter 34.05 RCW ((as enacted or hereafter amended))  
31 unless otherwise provided for in this chapter.

32 (2) Rule-making proceedings conducted under this chapter are exempt  
33 from compliance with RCW 34.05.310, chapter 19.85 RCW, the regulatory  
34 fairness act, and RCW 43.135.055 when the adoption of the rules is  
35 determined by a referendum vote of the affected parties.

36 NEW SECTION. **Sec. 37.** The following acts or parts of acts are  
37 each repealed:

1 (1) RCW 15.65.030 (Declaration of purpose and police power) and  
2 1961 c 256 s 3;

3 (2) RCW 15.65.080 (Hearings public--Oaths--Record--Administrative  
4 law judge, powers) and 1981 c 67 s 18 & 1961 c 256 s 8;

5 (3) RCW 15.65.460 (Marketing act revolving fund--Composition) and  
6 1961 c 256 s 46; and

7 (4) RCW 15.65.405 (Annual assessment in excess of the fiscal growth  
8 factor under chapter 43.135 RCW--Hop commodity board--Mint commodity  
9 board) and 1995 c 109 s 1.

10 NEW SECTION. **Sec. 38.** A new section is added to chapter 15.66 RCW  
11 to read as follows:

12 The history, economy, culture, and the future of Washington state  
13 to a large degree all involve agriculture. In order to develop and  
14 promote Washington's agricultural products as part of the existing  
15 comprehensive scheme to regulate agricultural commodities, the  
16 legislature declares:

17 (1) That the marketing of agricultural products within this state  
18 is in the public interest. It is vital to the continued economic well-  
19 being of the citizens of this state and their general welfare that its  
20 agricultural commodities be properly promoted by (a) enabling producers  
21 of agricultural commodities to help themselves in establishing orderly,  
22 fair, sound, efficient, and unhampered marketing, grading, and  
23 standardizing of the commodities they produce; and (b) working towards  
24 stabilizing the agricultural industry by increasing consumption of  
25 agricultural commodities within the state, the nation, and  
26 internationally;

27 (2) That farmers and ranchers operate within a regulatory  
28 environment that imposes burdens on them for the benefit of society and  
29 the citizens of the state and includes restrictions on marketing  
30 autonomy. Those restrictions may impair the agricultural producer's  
31 ability to compete in local, domestic, and foreign markets;

32 (3) That it is now in the overriding public interest that support  
33 for the agricultural industry be clearly expressed, that adequate  
34 protection be given to agricultural commodities, uses, activities, and  
35 operations, and that each agricultural commodity be promoted  
36 individually, and as part of a comprehensive industry to:

37 (a) Enhance the reputation and image of Washington state's  
38 agricultural commodities;



1 (b) Increase the sale and use of Washington state's agricultural  
2 commodities in local, domestic, and foreign markets;

3 (c) Protect the public by educating the public in reference to the  
4 quality, care, and methods used in the production of Washington state's  
5 agricultural commodities;

6 (d) Increase the knowledge of the health-giving qualities and  
7 dietetic value of Washington state's agricultural commodities and  
8 products; and

9 (e) Support and engage in programs or activities that benefit the  
10 planting, production, harvesting, handling, processing, marketing, and  
11 uses of agricultural commodities produced in Washington state;

12 (4) That the director seek to enhance, protect, and perpetuate the  
13 ability of the private sector to produce food and fiber, and seek to  
14 maintain the economic well-being of the agricultural industry in  
15 Washington state consistent with its regulatory activities and  
16 responsibilities;

17 (5) That the director is hereby authorized to implement,  
18 administer, and enforce this chapter through the adoption of marketing  
19 orders that establish commodity commissions; and

20 (6) That this chapter is enacted in the exercise of the police  
21 powers of this state for the purpose of protecting the health, peace,  
22 safety, and general welfare of the people of this state.

23 **Sec. 39.** RCW 15.66.010 and 1993 c 80 s 3 are each amended to read  
24 as follows:

25 For the purposes of this chapter:

26 (1) "Director" means the director of agriculture of the state of  
27 Washington or any qualified person or persons designated by the  
28 director of agriculture to act for him or her concerning some matter  
29 under this chapter.

30 (2) "Department" means the department of agriculture of the state  
31 of Washington.

32 (3) "Marketing order" means an order (~~issued~~) adopted by rule by  
33 the director that establishes a commodity commission for an  
34 agricultural commodity pursuant to this chapter.

35 (4) "Agricultural commodity" means any of the following commodities  
36 or products: Llamas, alpacas, or any other animal or any distinctive  
37 type of agricultural, horticultural, viticultural, vegetable, and/or  
38 animal product, including, but not limited to, products qualifying as

1 organic food products under chapter 15.86 RCW and private sector  
2 cultured aquatic products as defined in RCW 15.85.020 and other fish  
3 and fish products, within its natural or processed state, including  
4 beehives containing bees and honey and Christmas trees but not  
5 including timber or timber products. The director is authorized to  
6 determine what kinds, types or subtypes should be classed together as  
7 an agricultural commodity for the purposes of this chapter.

8 (5) "Producer" means any person engaged in the business of  
9 producing or causing to be produced for market in commercial quantities  
10 any agricultural commodity. "To produce" means to act as a producer.  
11 For the purposes of (~~RCW 15.66.060, 15.66.090, and 15.66.120, as now~~  
12 ~~or hereafter amended~~)) this chapter, "producer" shall include bailees  
13 who contract to produce or grow any agricultural product on behalf of  
14 a bailor who retains title to the seed and its resulting agricultural  
15 product or the agricultural product delivered for further production or  
16 increase.

17 (6) "Affected producer" means any producer (~~of an affected~~  
18 ~~commodity~~)) who is subject to a marketing order.

19 (7) "Affected commodity" means (~~any agricultural commodity for~~  
20 ~~which the director has established a list of producers pursuant to RCW~~  
21 ~~15.66.060~~)) the agricultural commodity that is specified in the  
22 marketing order.

23 (8) "Commodity commission" or "commission" means a commission  
24 formed to carry out the purposes of this chapter under a particular  
25 marketing order concerning an affected commodity.

26 (9) "Unit" means a unit of volume, quantity or other measure in  
27 which an agricultural commodity is commonly measured.

28 (10) "Unfair trade practice" means any practice which is unlawful  
29 or prohibited under the laws of the state of Washington including but  
30 not limited to Titles 15, 16 and 69 RCW and chapters 9.16, 19.77,  
31 19.80, 19.84, and 19.83 RCW, or any practice, whether concerning  
32 interstate or intrastate commerce that is unlawful under the provisions  
33 of the act of Congress of the United States, September 26, 1914,  
34 chapter 311, section 5, 38 U.S. Statutes at Large 719 as amended, known  
35 as the "Federal Trade Commission Act of 1914", or the violation of or  
36 failure accurately to label as to grades and standards in accordance  
37 with any lawfully established grades or standards or labels.

38 (11) "Person" includes any individual, firm, corporation, limited  
39 liability company, trust, association, partnership, society, or any

1 other organization of individuals or any unit or agency of local,  
2 state, or federal government.

3 (12) "Cooperative association" means any incorporated or  
4 unincorporated association of producers which conforms to the  
5 qualifications set out in the act of Congress of the United States,  
6 Feb. 18, 1922, chapter 57, sections 1 and 2, 42 U.S. Statutes at Large  
7 388 as amended, known as the "Capper-Volstead Act" and which is engaged  
8 in making collective sales or in marketing any agricultural commodity  
9 or product thereof or in rendering service for or advancing the  
10 interests of the producers of such commodity on a nonprofit cooperative  
11 basis.

12 (13) "Member of a cooperative association" or "member" means any  
13 producer of an agricultural commodity who markets his or her product  
14 through such cooperative association and who is a voting stockholder of  
15 or has a vote in the control of or is under a marketing agreement with  
16 such cooperative association with respect to such product.

17 (14) "Affected handler" means any handler of an affected commodity.

18 (15) "Affected parties" means any producer, affected producer,  
19 handler, or commodity commission board member.

20 (16) "Assessment" means the monetary amount established in a  
21 marketing order that is to be paid by each affected producer to a  
22 commission in accordance with the schedule established in the marketing  
23 order.

24 (17) "Mail" or "send," for purposes of any notice relating to rule  
25 making, referenda, or elections, means regular mail or electronic  
26 distribution, as provided in RCW 34.05.260 for rule making.  
27 "Electronic distribution" or "electronically" means distribution by  
28 electronic mail or facsimile mail.

29 (18) "Handler" means any person who acts, either as principal,  
30 agent, or otherwise, in the processing, selling, marketing, or  
31 distributing of an agricultural commodity that is not produced by the  
32 handler. "Handler" does not include a common carrier used to transport  
33 an agricultural commodity. "To handle" means to act as a handler.

34 (19) "List of affected parties" means a list containing the names  
35 and mailing addresses of affected parties. This list must contain the  
36 names and addresses of all affected parties and, if requested by the  
37 director, the amount, by unit, of the affected commodity produced  
38 during a designated period under this chapter.

1       (20) "List of affected producers" means a list containing the names  
2 and mailing addresses of affected producers. This list must contain  
3 the names and addresses of all affected producers and, if requested by  
4 the director, the amount, by unit, of the affected commodity produced  
5 during a designated period under this chapter.

6       (21) "List of affected handlers" means a list containing the names  
7 and addresses of affected handlers. This list must contain the names  
8 and addresses of all affected handlers and, if requested by the  
9 director, the amount, by unit, of the affected commodity handled during  
10 a designated period under this chapter.

11       (22) "Percent by numbers" means the percent of those persons on the  
12 list of affected parties or affected producers.

13       (23) "Referendum" means a vote by the affected parties or affected  
14 producers which is conducted by secret ballot.

15       (24) "Rule-making proceedings" means rule making under chapter  
16 34.05 RCW.

17       (25) "Vacancy" means that a board member leaves or is removed from  
18 a board position prior to the end of a term, or a nomination process  
19 for the beginning of a term concludes with no candidates for a  
20 position.

21       (26) "Volume of production" means the percent of the average volume  
22 of production of the affected commodity of those on the list of  
23 affected parties or affected producers for a production period. For  
24 the purposes of this chapter, a production period is a minimum three-  
25 year period or as specified in the marketing order.

26       **Sec. 40.** RCW 15.66.030 and 2001 c 315 s 1 are each amended to read  
27 as follows:

28       Marketing orders may be made for any one or more of the following  
29 purposes:

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

34       (2) To provide for carrying on research studies to find more  
35 efficient methods of production, irrigation, processing,  
36 transportation, handling, and marketing of any agricultural commodity;

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

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

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

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

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

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

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

17 NEW SECTION. **Sec. 41.** A new section is added to chapter 15.66 RCW  
18 to read as follows:

19 This chapter and the rules adopted under it are only one aspect of  
20 the comprehensively regulated agricultural industry.

21 (1) Other laws applicable to agricultural commodities include the  
22 following chapters and the rules adopted thereunder:

23 Chapter 15.08 RCW Horticultural pests and diseases;

24 Chapter 15.13 RCW Horticultural plants and facilities--Inspection  
25 and licensing;

26 Chapter 15.14 RCW Planting stock;

27 Chapter 15.15 RCW Certified seed potatoes;

28 Chapter 15.17 RCW Standards of grades and packs;

29 Chapter 15.19 RCW Certification and inspection of ginseng;

30 Chapter 15.30 RCW Controlled atmosphere storage of fruits and  
31 vegetables;

32 Chapter 15.49 RCW Seeds;

33 Chapter 15.53 RCW Commercial feed;

34 Chapter 15.54 RCW Fertilizers, minerals, and limes;

35 Chapter 15.58 RCW Washington pesticide control act;

36 Chapter 15.60 RCW Apiaries;

37 Chapter 15.64 RCW Farm marketing;

38 Chapter 15.83 RCW Agricultural marketing and fair practices;

1 Chapter 15.85 RCW Aquaculture marketing;  
2 Chapter 15.86 RCW Organic food products;  
3 Chapter 15.92 RCW Center for sustaining agriculture and natural  
4 resources;  
5 Chapter 17.24 RCW Insect pests and plant diseases;  
6 Chapter 19.94 RCW Weights and measures;  
7 Chapter 20.01 RCW Agricultural products--Commission merchants,  
8 dealers, brokers, buyers, agents;  
9 Chapter 22.09 RCW Agricultural commodities;  
10 Chapter 69.04 RCW Food, drugs, cosmetics, and poisons including  
11 provisions of 21 C.F.R. relating to the general manufacturing  
12 practices, food labeling, food standards, food additives, and pesticide  
13 tolerances;  
14 Chapter 69.07 RCW Washington food processing act;  
15 Chapter 69.25 RCW Washington wholesome eggs and egg products act;  
16 Chapter 69.28 RCW Honey;  
17 7 U.S.C., section 136, Federal Insecticide, Fungicide, and  
18 Rodenticide Act.

19 (2) In addition to the laws and regulations listed in subsection  
20 (1) of this section that apply to the agricultural industry as a whole,  
21 the potato industry is regulated by or must comply with the following  
22 additional laws and the rules or regulations adopted thereunder:

23 (a) 7 C.F.R., Part 51, United States standards for grades of  
24 potatoes;

25 (b) 7 C.F.R., Part 946, Federal marketing order for Irish potatoes  
26 grown in Washington;

27 (c) 7 C.F.R., Part 1207, Potato research and promotion plan.

28 (3) In addition to the laws and regulations listed in subsection  
29 (1) of this section that apply to the agricultural industry as a whole,  
30 the wheat and barley industries are regulated by or must comply with  
31 the following additional laws and the rules adopted thereunder:

32 (a) 7 U.S.C., section 1621, Agricultural Marketing Act;

33 (b) Chapter 70.94 RCW, Washington clean air act, agricultural  
34 burning.

35 (4) In addition to the laws and regulations listed in subsection  
36 (1) of this section that apply to the agricultural industry as a whole,  
37 the poultry industry is regulated by or must comply with the following  
38 additional laws and the rules adopted thereunder:

39 (a) 21 U.S.C., chapter 10, Poultry and poultry products inspection;

- 1 (b) 21 U.S.C., chapter 9, Packers and stockyards;  
2 (c) 7 U.S.C., section 1621, Agricultural Marketing Act;  
3 (d) Washington fryer commission labeling standards.

4 **Sec. 42.** RCW 15.66.050 and 1961 c 11 s 15.66.050 are each amended  
5 to read as follows:

6 (1) Petitions for issuance, amendment or termination of a marketing  
7 order shall be signed by not less than five percent or one hundred of  
8 the producers alleged to be affected, whichever is less, and shall be  
9 filed with the director. ((Such petition shall be accompanied by a  
10 filing fee of one hundred dollars payable to the state treasurer; and  
11 shall designate some person as attorney in fact for the purpose of this  
12 section. Upon receipt of such a petition, the director shall prepare  
13 a budget estimate for handling such petition which shall include the  
14 cost of the preparation of the estimate, the cost of the hearings and  
15 the cost of the proposed referendum. The petitioners, within thirty  
16 days after receipt of the budget estimate by their attorney in fact  
17 shall remit to the director the difference between the filing fee of  
18 one hundred dollars already paid and the total budget estimate. If the  
19 petitioners fail to remit the difference, or if for any other reason  
20 the proceedings for the issuance, amendment or termination of the  
21 marketing order are discontinued, the filing fee, including any  
22 additional amount paid in accordance with such budget estimates shall  
23 not be refunded. If the petition results, after proper proceedings, in  
24 the issuance, amendment, or termination of a marketing order, said  
25 petitioners shall be reimbursed for the amount paid for said total  
26 filing fee out of funds of the commodity commission as they become  
27 available.)) A petition for amendment or termination of a marketing  
28 order may be submitted to the director by majority vote of a  
29 commission's board.

30 (2) A commission shall reimburse the department for expenses  
31 incurred by the department when a commodity commission petitions the  
32 director to amend or terminate a marketing order and for other services  
33 provided by the department under this chapter. The department shall  
34 provide to a commodity commission an estimate of expenses that may be  
35 incurred to amend or terminate a marketing order prior to any services  
36 taking place.

37 (3) Petitioners who are not a majority of a commission, and who  
38 file a petition with the director to issue, amend, or terminate a

1 marketing order, shall deposit funds with the director to pay for  
2 expenses incurred by the department, under rules adopted by the  
3 director.

4 (4) A commission shall reimburse petitioners the amount paid to the  
5 department under the following circumstances:

6 (a) If the petition is to issue a marketing order, the commission  
7 shall reimburse the petitioners the amount expended by the department  
8 when funds become available after establishment of the commission; or

9 (b) If the petition is to amend or terminate a marketing order, the  
10 commission shall reimburse the petitioners within thirty days of the  
11 referendum if the proposal is assented to by the affected producers.

12 (5) If for any reason a proceeding is discontinued, the commission  
13 or petitioners, whichever is applicable, shall reimburse the department  
14 only for expenses incurred by the department up until the time the  
15 proceeding is discontinued.

16 NEW SECTION. Sec. 43. A new section is added to chapter 15.66 RCW  
17 to read as follows:

18 (1) All rule-making proceedings conducted under this chapter shall  
19 be in accordance with chapter 34.05 RCW.

20 (2) Rule-making proceedings conducted under this chapter are exempt  
21 from compliance with RCW 34.05.310, chapter 19.85 RCW, the regulatory  
22 fairness act, and RCW 43.135.055 when adoption of the rule is  
23 determined by a referendum vote of the affected parties.

24 (3) The director may adopt amendments to marketing orders without  
25 conducting a referendum if the amendments are adopted under the  
26 following criteria:

27 (a) The proposed amendments relate only to internal administration  
28 of a marketing order and are not subject to violation by a person;

29 (b) The proposed amendments adopt or incorporate by reference  
30 without material change federal statutes or regulations, Washington  
31 state statutes, or rules of other Washington state agencies, if the  
32 material adopted or incorporated regulates the same activities as are  
33 authorized under the marketing order;

34 (c) The proposed amendments only correct typographical errors, make  
35 address or name changes, or clarify language of a rule without changing  
36 the marketing order;

37 (d) The content of the proposed amendments is explicitly and  
38 specifically dictated by statute.



1        NEW SECTION.    **Sec. 44.**    A new section is added to chapter 15.66 RCW  
2 to read as follows:

3        The director may adopt rules necessary to carry out the director's  
4 duties and responsibilities under this chapter including:

5        (1) The issuance, amendment, suspension, or termination of  
6 marketing orders;

7        (2) Procedural, technical, or administrative rules which may  
8 address and include, but are not limited to:

9        (a) The submission of a petition to issue, amend, or terminate a  
10 marketing order under this chapter;

11        (b) Nominations conducted under this chapter;

12        (c) Elections of board members or referenda conducted under this  
13 chapter; and

14        (d) Actions of the director upon a petition to issue, amend, or  
15 terminate a marketing order;

16        (3) Rules that provide for a method to fund:

17        (a) The costs of staff support for all commodity boards and  
18 commissions in accordance with section 78 of this act if the position  
19 is not directly funded by the legislature; and

20        (b) The actual costs related to the specific activity undertaken on  
21 behalf of an individual commodity board or commission.

22        **Sec. 45.**    RCW 15.66.060 and 1975 1st ex.s. c 7 s 7 are each amended  
23 to read as follows:

24        (1) Upon receipt of a petition for the issuance(~~(, amendment, or~~  
25 ~~termination))~~ of a marketing order, the director shall establish a list  
26 of ~~((producers))~~ affected parties of the agricultural commodity  
27 affected ~~((or make any such existing list current))~~. In establishing  
28 ~~((or making current such))~~ a list of ~~((producers))~~ affected parties and  
29 their individual production, the director shall publish a notice to  
30 producers of the commodity to be affected requiring them to file with  
31 the director a report showing the producer's name, mailing address, and  
32 the yearly average quantity of the affected commodity produced by him  
33 or her in the three years preceding the date of the notice or in such  
34 lesser time as the producer has produced the commodity in question.  
35 ~~((Such))~~ Information as to production may also be accepted from other  
36 valid sources if readily available. ~~((The notice shall be published~~  
37 ~~once a week for four consecutive weeks in such newspaper or newspapers,~~  
38 ~~including a newspaper or newspapers of general circulation within the~~

1 affected areas, as the director may prescribe, and shall be mailed to  
2 all affected producers on record with the director. All reports shall  
3 be filed with the director within twenty days from the last date of  
4 publication of the notice or within thirty days after the mailing of  
5 the notice to affected producers, whichever is the later. The director  
6 shall keep such lists at all times as current as possible and may  
7 require information from affected producers at various times in  
8 accordance with rules and regulations prescribed by the director:  
9 PROVIDED, That any commission established under the provisions of this  
10 chapter may at its discretion prior to any election for any purpose by  
11 such commission carry out the above stated mandate to the director for  
12 establishing a list of producers and their individual production, and  
13 supply the director with a current list of all producers subject to the  
14 provisions of the marketing order under which it was formed.

15 Such producer list shall be final and conclusive in making  
16 determinations relative to the assent by producers upon the issuance,  
17 amendment or termination of a marketing order and in elections under  
18 the provisions of this chapter.

19 The director shall then notify affected producers, so listed, by  
20 mail that the public hearing affording opportunity for them to be heard  
21 upon the proposed issuance, amendment, or termination of the marketing  
22 order will be heard at the time and place stated in the notice. Such  
23 notice of the hearing shall be given not less than ten days nor more  
24 than sixty days prior to the hearing.)) Notice of a proposed marketing  
25 order issuance shall be as provided for in RCW 15.66.070.

26 (2) The director shall use the list of affected parties for the  
27 purpose of notice, referendum proceedings, and electing or selecting  
28 members of the commission's board in accordance with this chapter and  
29 rules adopted under this chapter.

30 (3) An affected party may at any time file his or her name and  
31 mailing address with the director. A list of affected parties may be  
32 brought up-to-date by the director up to the day preceding a mailing of  
33 a notice or ballot under this chapter and that list is deemed the list  
34 of affected parties entitled to vote.

35 (4) The list of affected parties shall be kept in the rule-making  
36 file by the director. The list shall be certified as a true  
37 representation of the referendum mailing list. Inadvertent failure to  
38 notify an affected party does not invalidate a proceeding conducted  
39 under this chapter.

1 (5) The list of affected parties that is certified as the true  
2 representation of the mailing list of a referendum shall be used to  
3 determine assent as provided in this chapter.

4 (6) The director shall provide the commodity commission the list of  
5 affected and interested parties once a marketing order is adopted and  
6 a commodity commission is established as provided in this chapter.

7 **Sec. 46.** RCW 15.66.070 and 1961 c 11 s 15.66.070 are each amended  
8 to read as follows:

9 (1) Notice of a public hearing to issue, amend, or terminate a  
10 marketing order shall be published once a week for four consecutive  
11 weeks in a newspaper or newspapers, including a newspaper or newspapers  
12 of general circulation within the affected areas, as the director may  
13 prescribe, and shall be mailed to all affected parties or affected  
14 producers. The director shall mail notice to all affected parties or  
15 affected producers, as applicable, who may be directly affected by the  
16 proposal and whose names and addresses appear on the list compiled  
17 under this chapter.

18 (2) At ((the)) a public hearing the director shall receive  
19 ((evidence and)) testimony offered in support of, or opposition to, the  
20 proposed issuance of, amendment to, or termination of a marketing order  
21 and concerning the terms, conditions, scope, and area thereof. Such  
22 hearing shall be public and all testimony shall be received under oath.  
23 A full and complete record of all proceedings at such hearings shall be  
24 made and maintained on file in the office of the director, which file  
25 shall be open to public inspection. The director shall base ((his))  
26 any findings upon the testimony ((and evidence)) received at the  
27 hearing, together with any other relevant facts available ((to him))  
28 from official publications of institutions of recognized standing. The  
29 director shall describe in ((his)) the findings such official  
30 publications upon which any finding is based.

31 ((For such hearings and for any other hearings under this  
32 chapter,)) (3) The director shall have the power to subpoena witnesses  
33 and to issue subpoenas for the production of any books, records, or  
34 documents of any kind.

35 (4) The superior court of the county in which any hearing or  
36 proceeding may be had may compel the attendance of witnesses and the  
37 production of records, papers, books, accounts, documents and testimony  
38 as required by such subpoena. The director, in case of the refusal of

1 any witness to attest or testify or produce any papers required by the  
2 subpoena, shall report to the superior court of the county in which the  
3 proceeding is pending by petition setting forth that due notice has  
4 been given of the time and place of attendance of (~~said~~) the witness  
5 or the production of (~~said~~) the papers and that the witness has been  
6 summoned in the manner prescribed in this chapter and that he or she  
7 has failed to attend or produce the papers required by the subpoena at  
8 the hearing, cause or proceeding specified in the subpoena, or has  
9 refused to answer questions propounded to him or her in the course of  
10 such hearing, cause, or proceeding, and shall ask an order of the court  
11 to compel a witness to appear and testify before the director. The  
12 court upon such petition shall enter an order directing the witness to  
13 appear before the court at a time and place to be fixed in such order  
14 and then and there to show cause why he or she has not responded to the  
15 subpoena. A copy of the order shall be served upon the witness. If it  
16 appears to the court that the subpoena was regularly issued, it shall  
17 enter an order that the witness appear at the time and place fixed in  
18 the order and testify or produce the required papers, and on failing to  
19 obey (~~said~~) the order the witness shall be dealt with as for contempt  
20 of court.

21 **Sec. 47.** RCW 15.66.090 and 1975 1st ex.s. c 7 s 8 are each amended  
22 to read as follows:

23 After the issuance by the director of the final decision approving  
24 the issuance, amendment, or termination of a marketing order, the  
25 director shall determine by a referendum whether the affected parties  
26 or producers assent to the proposed action or not. The director shall  
27 conduct the referendum among the affected parties or producers based on  
28 the list as provided for in RCW 15.66.060, and the affected parties or  
29 producers shall be deemed to have assented to the proposed issuance or  
30 termination order if fifty-one percent or more by number reply to the  
31 referendum within the time specified by the director, and if, of those  
32 replying, sixty-five percent or more by number and fifty-one percent or  
33 more by volume assent to the proposed order. The producers shall be  
34 deemed to have assented to the proposed amendment order if sixty  
35 percent or more by number and sixty percent or more by volume of those  
36 replying assent to the proposed order. The determination by volume  
37 shall be made on the basis of volume as determined in the list of  
38 affected producers created under provisions of RCW 15.66.060, subject

1 to rules and regulations of the director for such determination. The  
2 director shall consider the approval or disapproval of any cooperative  
3 marketing association authorized by its producer members to act for  
4 them in any such referendum, as being the approval or disapproval of  
5 the producers who are members of or stockholders in or under contract  
6 with such association of cooperative producers: PROVIDED, That the  
7 association shall first determine that a majority of the membership of  
8 the association authorize its action concerning the specific marketing  
9 order. If the requisite assent is given, the director shall promulgate  
10 the order and shall mail notices of the same to all affected producers.

11 NEW SECTION. **Sec. 48.** A new section is added to chapter 15.66 RCW  
12 to read as follows:

13 The director may, upon the request of a commodity commission and  
14 without compliance with RCW 15.66.070 through 15.66.090, suspend the  
15 commission's order or term or provision thereof for a period of not to  
16 exceed one year, if the director finds that the suspension will tend to  
17 effectuate the declared policy of this chapter. Any suspension of all,  
18 or substantially all, of a marketing order by the director is not  
19 effective until the end of the then current marketing season.

20 NEW SECTION. **Sec. 49.** A new section is added to chapter 15.66 RCW  
21 to read as follows:

22 The director is not required to hold a public hearing or a  
23 referendum more than once in any twelve-month period on petitions to  
24 issue, amend, or terminate a marketing order if any of the following  
25 circumstances are present:

- 26 (1) The petition proposes to establish a marketing order for the  
27 same commodity;  
28 (2) The petition proposes the same or a similar amendment to a  
29 marketing order; or  
30 (3) The petition proposes to terminate the same marketing order.

31 NEW SECTION. **Sec. 50.** A new section is added to chapter 15.66 RCW  
32 to read as follows:

33 (1) Pursuant to RCW 42.17.31907, certain agricultural business  
34 records, commodity commission records, and department of agriculture  
35 records relating to commodity commissions and producers of agricultural  
36 commodities are exempt from public disclosure.

1 (2) Financial and commercial information and records submitted to  
2 either the department or a commodity commission for the purpose of  
3 administering this act or a marketing order may be shared between the  
4 department and the applicable commodity commission. They may also be  
5 used, if required, in any suit or administrative hearing involving any  
6 provision of this chapter or a marketing order.

7 (3) This chapter does not prohibit:

8 (a) The issuance of general statements based upon the reports of a  
9 number of persons subject to any marketing order as long as the  
10 statements do not identify the information furnished by any person; or

11 (b) The publication by the director or a commodity commission of  
12 the name of any person violating any marketing order and a statement of  
13 the manner of the violation by that person.

14 **Sec. 51.** RCW 15.66.110 and 2001 c 315 s 2 are each amended to read  
15 as follows:

16 (1) 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 unless otherwise specified in the marketing order.  
20 Commission board members shall be citizens and residents of this state  
21 if required by the marketing order, and over the age of eighteen. Not  
22 more than one board member may be part of the same "person" as defined  
23 by this chapter. The term of office of commission members shall be  
24 three years with the terms rotating so than one-third of the terms will  
25 commence as nearly as practicable each year. However, the first  
26 commission shall be selected, one-third for a term of one year, one-  
27 third for a term of two years, and one-third for a term of three years,  
28 as nearly as practicable. Except as provided in subsection (2) of this  
29 section, no less than two-thirds of the commission board members shall  
30 be elected by the affected producers and such elected members shall all  
31 be affected producers. The remaining members shall be appointed by the  
32 commission and shall be either affected producers, others active in  
33 matters relating to the affected commodity, or persons not so related.

34 (2) A marketing order may provide that a majority of the  
35 commission's board be appointed by the director, but in any event, no  
36 less than one-third of the board members shall be elected by the  
37 affected producers.

1       (3) In the event that the marketing order provides that a majority  
2 of the commission's board be appointed by the director, the marketing  
3 order shall incorporate either the provisions of section 52 or 53 of  
4 this act for board member selection.

5       NEW SECTION. Sec. 52. A new section is added to chapter 15.66 RCW  
6 to read as follows:

7       (1) This section or section 53 of this act applies when the  
8 director appoints a majority of the board positions as set forth under  
9 RCW 15.66.110(3).

10       (2) Candidates for director-appointed board positions on a  
11 commission shall be nominated under RCW 15.66.120(1).

12       (3) Not less than sixty days nor more than seventy-five days prior  
13 to the commencement of a board member term, the director shall cause an  
14 advisory vote to be held for the director-appointed positions.  
15 Advisory ballots shall be mailed to all affected producers and shall be  
16 returned to the director not less than thirty days prior to the  
17 commencement of the term. The advisory ballot shall be conducted in a  
18 manner so that it is a secret ballot. The names of the two candidates  
19 receiving the most votes in the advisory vote shall be forwarded to the  
20 director for potential appointment to the commission board. In the  
21 event there are only two candidates nominated for a board position, an  
22 advisory vote may not be held and the candidates' names shall be  
23 forwarded to the director for potential appointment.

24       (4) The candidates whose names are forwarded to the director for  
25 potential appointment shall submit to the director a letter stating why  
26 he or she wishes to be appointed to the commission board. The director  
27 may select either person for the position.

28       NEW SECTION. Sec. 53. A new section is added to chapter 15.66 RCW  
29 to read as follows:

30       (1) This section or section 52 of this act applies when the  
31 director appoints a majority of the board positions as set forth under  
32 RCW 15.66.110(3).

33       (2) Candidates for director-appointed board positions on a  
34 commission shall be nominated under RCW 15.66.120(1).

35       (3) Not less than sixty days nor more than seventy-five days prior  
36 to the commencement of a board member term, the director shall cause an  
37 advisory vote to be held for the director-appointed positions.

1 Advisory ballots shall be mailed to all affected producers and shall be  
2 returned to the director not less than thirty days prior to the  
3 commencement of the term. The advisory ballot shall be conducted in a  
4 manner so that it is a secret ballot. The name of the candidate  
5 receiving the most votes in the advisory vote shall be forwarded to the  
6 director for appointment to the commission board.

7 (4) The director shall appoint the candidate receiving the most  
8 votes in an advisory ballot unless the candidate fails to meet the  
9 qualifications of commission board members under this chapter and the  
10 marketing order. In the event the director rejects the candidate  
11 receiving the most votes, the position is vacant and shall be filled  
12 under RCW 15.66.120(8).

13 **Sec. 54.** RCW 15.66.120 and 1975 1st ex.s. c 7 s 9 are each amended  
14 to read as follows:

15 (1) Not less than ninety days nor more than one hundred and five  
16 days prior to the beginning of each term of each elected commission  
17 member, ~~((the director shall give))~~ notice ~~((by mail))~~ shall be mailed  
18 to all affected producers ~~((of the vacancy and))~~ with a call for  
19 nominations in accordance with this section and ~~((with the))~~ provisions  
20 of the marketing order ~~((and shall give)).~~ The notice ((of)) shall  
21 give the final date for filing nominations, which shall not be less  
22 than eighty days nor more than eighty-five days before the beginning of  
23 such term. ~~((Such))~~ The notice shall also advise that nominating  
24 petitions shall be signed by five persons qualified to vote for such  
25 candidates or, if the number of nominating signers is provided for in  
26 the marketing order, ~~((such))~~ then the number ((as such)) provided in  
27 the marketing order ((provides)).

28 (2) Not less than sixty days nor more than seventy-five days prior  
29 to the commencement of ~~((such))~~ a commission board member term, the  
30 director shall ~~((submit by))~~ mail ballots to all affected producers~~((7~~  
31 ~~which))~~. Ballots shall be required to be returned to the director not  
32 less than thirty days prior to the commencement of ((such)) the term.  
33 ~~((Such))~~ The mail ballot shall be conducted in a manner so that it  
34 shall be a secret ballot. With respect to the first commission for a  
35 particular commodity, the director may call for nominations for board  
36 members in the notice of ~~((his))~~ the director's decision following the  
37 hearing and the ballot may be submitted at the time the director's  
38 proposed order is submitted to the affected producers for their assent.



1       (~~Said elected~~) (3) Board members may be elected or appointed from  
2 various districts within the area covered by the marketing order if the  
3 order so provides, with the number of members from each district to be  
4 in accordance with the provisions of the marketing order.

5       (4) The board members of the commission not elected by the affected  
6 producers shall be elected by a majority of the commission's board at  
7 a meeting of the commission within ninety days prior to expiration of  
8 the term (~~but to fill nonelective vacancies caused by other reasons~~  
9 than the expiration of a term, the new member shall be elected by the  
10 commission at its first meeting after the occurrence of the vacancy)),  
11 or appointed by the director under this chapter and the marketing  
12 order.

13       (5) When only one nominee is nominated for any position on the  
14 commission, the director shall (~~deem that said nominee satisfies the~~  
15 requirements of the position and then it shall be deemed that said  
16 nominee has been duly)) determine whether the nominee meets the  
17 qualifications of the position and, if so, the director shall declare  
18 the nominee elected or appoint the nominee to the position.

19       (6) In the event of a vacancy in an elected board member position  
20 on a commodity commission, the remaining board members shall select a  
21 qualified person to fill the vacant position for the remainder of the  
22 current term or as provided in the marketing order.

23       (7) In the event of a vacancy in an appointed board member position  
24 on a commodity commission, the appointment of board members shall be as  
25 specified in the marketing order.

26       (8) In the event of a vacancy in a director-appointed board member  
27 position on a commodity commission, the remaining board members shall  
28 recommend to the director a qualified person for appointment to the  
29 vacant position. The director shall appoint the person recommended by  
30 the board unless the person fails to meet the qualifications of  
31 commission board members under this chapter and the marketing order.

32       NEW SECTION. Sec. 55. A new section is added to chapter 15.66 RCW  
33 to read as follows:

34       (1) Upon completion of any vote, referendum, or nomination and  
35 elections, the department shall tally the results of the vote and  
36 provide the results to affected parties.

37       (2) If an affected party disputes the results of a vote, that  
38 affected party, within sixty days from the announced results, shall

1 provide in writing a statement of why the vote is disputed and request  
2 a recount.

3 (3) Once the vote is tallied and distributed, all disputes are  
4 resolved, and all matters in a vote are finalized, the individual  
5 ballots may be destroyed.

6 **Sec. 56.** RCW 15.66.130 and 2001 2nd sp.s. c 6 s 2 are each amended  
7 to read as follows:

8 Each commodity commission shall hold such regular meetings as the  
9 marketing order may prescribe or that the commission by resolution may  
10 prescribe, together with such special meetings that may be called in  
11 accordance with provisions of its resolutions upon reasonable notice to  
12 all members thereof. A majority of the voting members shall constitute  
13 a quorum for the transaction of all business of the commission. (~~In~~  
14 ~~the event of a vacancy in an elected or appointed position on the~~  
15 ~~commission, the remaining elected members of the commission shall~~  
16 ~~select a qualified person to fill the unexpired term.))~~

17 Each member of the commission shall be compensated in accordance  
18 with RCW 43.03.230. Members and employees of the commission may be  
19 reimbursed for actual travel expenses incurred in carrying out the  
20 provisions of this chapter, as defined under the commodity ((~~board's~~)  
21 commission's marketing order. Otherwise, if not defined or referenced  
22 in the marketing order, reimbursement for travel expenses shall be in  
23 accordance with RCW 43.03.050 and 43.03.060.

24 **Sec. 57.** RCW 15.66.140 and 2001 c 315 s 3 are each amended to read  
25 as follows:

26 Every ((~~marketing~~)) commodity commission shall have such powers and  
27 duties in accordance with provisions of this chapter as may be provided  
28 in the marketing order and shall have the following powers and duties:

29 (1) To elect a ((~~chairman~~)) chair and such other officers as  
30 determined advisable;

31 (2) To adopt, rescind and amend rules and regulations reasonably  
32 necessary for the administration and operation of the commission and  
33 the enforcement of its duties under the marketing order;

34 (3) To administer, enforce, direct and control the provisions of  
35 the marketing order and of this chapter relating thereto;

36 (4) To employ and discharge at its discretion such administrators  
37 and additional personnel, attorneys, advertising and research agencies

1 and other persons and firms that it may deem appropriate and pay  
2 compensation to the same;

3 (5) To acquire personal property and purchase or lease office space  
4 and other necessary real property and transfer and convey the same;

5 (6) To institute and maintain in its own name any and all legal  
6 actions, including actions by injunction, mandatory injunction or civil  
7 recovery, or proceedings before administrative tribunals or other  
8 governmental authorities necessary to carry out the provisions of this  
9 chapter and of the marketing order;

10 (7) To keep accurate records of all its receipts and disbursements,  
11 which records shall be open to inspection and audit by the state  
12 auditor or private auditor designated by the state auditor at least  
13 every five years;

14 (8) Borrow money and incur indebtedness;

15 (9) Make necessary disbursements for routine operating expenses;

16 (10) To expend funds for commodity-related education, training, and  
17 leadership programs as each commission deems expedient;

18 (11) To work cooperatively with other local, state, and federal  
19 agencies; universities; and national organizations for the purposes  
20 provided in the commission's marketing order;

21 (12) To enter into contracts or interagency agreements with any  
22 private or public agency, whether federal, state, or local, to carry  
23 out the purposes provided in the commission's marketing order.  
24 Personal service contracts must comply with chapter 39.29 RCW;

25 (13) To accept and expend or retain any gifts, bequests,  
26 contributions, or grants from private persons or private and public  
27 agencies to carry out the purposes provided in the commission's  
28 marketing order;

29 (14) To enter into contracts or agreements for research in the  
30 production, irrigation, processing, transportation, marketing, use, or  
31 distribution of an affected commodity;

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

36 (16) To engage in appropriate fund-raising activities for the  
37 purpose of supporting activities of the commission authorized by the  
38 marketing order;

1 (17) To participate in international, federal, state, and local  
2 hearings, meetings, and other proceedings relating to the production,  
3 irrigation, manufacture, regulation, transportation, distribution,  
4 sale, or use of affected commodities including activities authorized  
5 under RCW 42.17.190, including the reporting of those activities to the  
6 public disclosure commission; ((and))

7 (18) To maintain a list of the names and addresses of affected  
8 producers that may be compiled from information used to collect  
9 assessments under the provisions of the marketing order and data on the  
10 value of each producer's production for a minimum three-year period;

11 (19) To maintain a list of the names and addresses of persons who  
12 handle the affected commodity within the affected area and data on the  
13 amount and value of the commodity handled for a minimum three-year  
14 period by each person; and

15 (20) Such other powers and duties that are necessary to carry out  
16 the purposes of this chapter.

17 NEW SECTION. Sec. 58. A new section is added to chapter 15.66 RCW  
18 to read as follows:

19 (1) Each commodity commission shall prepare a list of all affected  
20 producers from any information available from the department,  
21 producers, producer associations, organizations, or handlers of the  
22 affected commodity. This list shall contain the names and addresses of  
23 all affected persons who produce the affected commodity and the amount,  
24 by unit, of the affected commodity produced during at least the past  
25 three years.

26 (2) Each commodity commission shall prepare a list of all persons  
27 who handle the affected commodity and the amount of the commodity  
28 handled by each person during at least the past three years.

29 (3) It is the responsibility of all affected parties to ensure that  
30 their correct address is filed with the commodity commission. It is  
31 also the responsibility of affected parties to submit production data  
32 and handling data to the commission as prescribed by the commission's  
33 marketing order.

34 (4) Any qualified person may, at any time, have his or her name  
35 placed upon any list for which he or she qualifies by delivering or  
36 mailing the information to the commission. The lists shall be  
37 corrected and brought up-to-date in accordance with evidence and  
38 information provided to the commission.

1 (5) At the director's request, the commodity commission shall  
2 provide the director a certified list of affected producers or affected  
3 handlers from the commodity commission records. The list shall contain  
4 all information required by the director to conduct a referendum or  
5 board member elections under this chapter.

6 (6) For all purposes of giving notice and holding referenda on  
7 amendment or termination proposals, and for giving notice and electing  
8 or selecting members of a commission, the applicable list corrected up  
9 to the day preceding the date the list is certified by the commission  
10 and mailed to the director is deemed to be the list of all affected  
11 producers or affected handlers, as applicable, entitled to notice or to  
12 vote. Inadvertent failure to notify an affected producer or handler  
13 does not invalidate a proceeding conducted under this chapter.

14 NEW SECTION. Sec. 59. A new section is added to chapter 15.66 RCW  
15 to read as follows:

16 Agricultural commodity commissions shall adopt rules governing  
17 promotional hosting expenditures by commodity commission employees,  
18 agents, or board members under RCW 15.04.200.

19 NEW SECTION. Sec. 60. A new section is added to chapter 15.66 RCW  
20 to read as follows:

21 If after complying with the procedures outlined in this chapter and  
22 a referendum proposal to terminate a commodity commission is assented  
23 to, the affected commodity commission shall:

24 (1) Document the details of all measures undertaken to terminate  
25 the commodity commission and identify and document all closing costs;

26 (2) Contact the office of the state auditor and arrange for a final  
27 audit of the commission. Payment for the audit shall be from  
28 commission funds and identified in the budget for closing costs;

29 (3) Provide for the reimbursement to affected producers of moneys  
30 collected by assessment. Reimbursement shall be made to those  
31 considered affected producers over the previous three-year time frame  
32 on a pro rata basis and at a percent commensurate with their volume of  
33 production over the previous three-year period unless a different time  
34 period is specified in the marketing order. If the commodity  
35 commission finds that the amounts of moneys are so small as to make  
36 impractical the computation and remitting of the pro rata refund, the

1 moneys shall be paid into the state treasury as unclaimed trust moneys;  
2 and

3 (4) Transfer all remaining files to the department for storage and  
4 archiving, as appropriate.

5 **Sec. 61.** RCW 15.66.180 and 1961 c 11 s 15.66.180 are each amended  
6 to read as follows:

7 All moneys which are collected or otherwise received pursuant to  
8 each marketing order created under this chapter shall be used solely by  
9 and for the commodity commission concerned and shall not be used for  
10 any other commission, nor the department except as otherwise provided  
11 in this chapter. Such moneys shall be deposited in a separate account  
12 or accounts in the name of the individual commission in any bank which  
13 is a state depository. All expenses and disbursements incurred and  
14 made pursuant to the provisions of any marketing order shall be paid  
15 from moneys collected and received pursuant to such order without the  
16 necessity of a specific legislative appropriation and all moneys  
17 deposited for the account of any order shall be paid from said account  
18 by check or voucher in such form and in such manner and upon the  
19 signature of such person as may be prescribed by the commission. None  
20 of the provisions of RCW 43.01.050 shall be applicable to any such  
21 account or any moneys so received, collected or expended.

22 **Sec. 62.** RCW 15.66.185 and 1967 ex.s. c 54 s 2 are each amended to  
23 read as follows:

24 Any funds of any agricultural commodity commission may be invested  
25 in savings or time deposits in banks, trust companies, and mutual  
26 savings banks (~~((which))~~) that are doing business in (~~((this state))~~) the  
27 United States, up to the amount of insurance afforded such accounts by  
28 the Federal Deposit Insurance Corporation. This section shall apply to  
29 all funds which may be lawfully so invested, which in the judgment of  
30 any agricultural commodity commission are not required for immediate  
31 expenditure. The authority granted by this section is not exclusive  
32 and shall be construed to be cumulative and in addition to other  
33 authority provided by law for the investment of such funds.

34 **Sec. 63.** RCW 15.66.245 and 1988 c 54 s 2 are each amended to read  
35 as follows:

1 Any marketing agreement or order may authorize the members of a  
2 commodity commission, or their agents or designees, to participate in  
3 federal or state hearings or other proceedings concerning regulation of  
4 the manufacture, distribution, sale, or use of any pesticide as defined  
5 by RCW 15.58.030(~~(1)~~) (30) or any agricultural chemical which is of  
6 use or potential use in producing the affected commodity. Any  
7 marketing agreement or order may authorize the expenditure of commodity  
8 commission funds for this purpose.

9 **Sec. 64.** RCW 15.66.260 and 1969 c 66 s 2 are each amended to read  
10 as follows:

11 ~~((All general administrative expenses of the director in carrying  
12 out the provisions of this chapter shall be borne by the state:  
13 PROVIDED, That))~~ The department shall be reimbursed for actual costs  
14 incurred in conducting nominations and elections for members of any  
15 commodity ~~(board)~~ commission established under the provisions of this  
16 chapter. Such reimbursement shall be made from the funds of the  
17 commission for which the nominations and elections were conducted by  
18 the director.

19 NEW SECTION. **Sec. 65.** RCW 15.66.020 (Declaration of purpose) and  
20 1961 c 11 s 15.66.020 are each repealed.

21 **Sec. 66.** RCW 42.17.31907 and 2001 c 314 s 18 are each amended to  
22 read as follows:

23 The following agricultural business records and commodity board and  
24 commission records are exempt from the disclosure requirements of this  
25 chapter:

26 (1) Production or sales records required to determine assessment  
27 levels and actual assessment payments to commodity boards and  
28 commissions formed under chapters 15.24, 15.26, 15.28, 15.44, 15.65,  
29 15.66, 15.74, 15.88, 15.100, and 16.67 RCW or required by the  
30 department of agriculture ~~((under RCW 15.13.310(4) or 15.49.370(6)))~~ to  
31 administer these chapters or the department's programs;

32 (2) Consignment information contained on phytosanitary certificates  
33 issued by the department of agriculture under chapters 15.13, 15.49,  
34 and 15.17 RCW or federal phytosanitary certificates issued under 7  
35 C.F.R. 353 through cooperative agreements with the animal and plant  
36 health inspection service, United States department of agriculture, or

1 on applications for phytosanitary certification required by the  
2 department of agriculture; and

3 (3) Financial and commercial information and records supplied by  
4 persons ~~((to))~~ (a) to the department of agriculture for the purpose of  
5 conducting a referendum for the potential establishment of a commodity  
6 board or commission; (b) to the department of agriculture or commodity  
7 boards or commissions formed under chapter~~((s))~~ 15.24, 15.28, 15.44,  
8 15.65, 15.66, 15.74, 15.88, 15.100, ~~((and))~~ or 16.67 RCW with respect  
9 to domestic or export marketing activities or individual producer's  
10 production information.

11 NEW SECTION. Sec. 67. A new section is added to chapter 15.26 RCW  
12 to read as follows:

13 (1) Under RCW 42.17.31907, certain agricultural business records,  
14 commission records, and department of agriculture records relating to  
15 the commission and producers of agricultural commodities are exempt  
16 from public disclosure.

17 (2) Financial and commercial information and records submitted to  
18 either the department or the commission for the purpose of  
19 administering this chapter may be shared between the department and the  
20 commission. They may also be used, if required, in any suit or  
21 administrative hearing involving any provision of this chapter or a  
22 marketing order.

23 (3) This chapter does not prohibit:

24 (a) The issuance of general statements based upon the reports of  
25 persons subject to this chapter as long as the statements do not  
26 identify the information furnished by any person; or

27 (b) The publication by the director or the commission of the name  
28 of any person violating this chapter and a statement of the manner of  
29 the violation by that person.

30 NEW SECTION. Sec. 68. A new section is added to chapter 15.28 RCW  
31 to read as follows:

32 (1) Under RCW 42.17.31907, certain agricultural business records,  
33 commission records, and department of agriculture records relating to  
34 the commission and producers of agricultural commodities are exempt  
35 from public disclosure.

36 (2) Financial and commercial information and records submitted to  
37 either the department or the commission for the purpose of



1 administering this chapter may be shared between the department and the  
2 commission. They may also be used, if required, in any suit or  
3 administrative hearing involving any provision of this chapter or a  
4 marketing order.

5 (3) This chapter does not prohibit:

6 (a) The issuance of general statements based upon the reports of  
7 persons subject to this chapter as long as the statements do not  
8 identify the information furnished by any person; or

9 (b) The publication by the director or the commission of the name  
10 of any person violating this chapter and a statement of the manner of  
11 the violation by that person.

12 NEW SECTION. Sec. 69. A new section is added to chapter 15.44 RCW  
13 to read as follows:

14 (1) Under RCW 42.17.31907, certain agricultural business records,  
15 commission records, and department of agriculture records relating to  
16 the commission and producers of agricultural commodities are exempt  
17 from public disclosure.

18 (2) Financial and commercial information and records submitted to  
19 either the department or the commission for the purpose of  
20 administering this chapter may be shared between the department and the  
21 commission. They may also be used, if required, in any suit or  
22 administrative hearing involving any provision of this chapter or a  
23 marketing order.

24 (3) This chapter does not prohibit:

25 (a) The issuance of general statements based upon the reports of  
26 persons subject to this chapter as long as the statements do not  
27 identify the information furnished by any person; or

28 (b) The publication by the director or the commission of the name  
29 of any person violating this chapter and a statement of the manner of  
30 the violation by that person.

31 NEW SECTION. Sec. 70. A new section is added to chapter 15.88 RCW  
32 to read as follows:

33 (1) Under RCW 42.17.31907, certain agricultural business records,  
34 commission records, and department of agriculture records relating to  
35 the commission and producers of agricultural commodities are exempt  
36 from public disclosure.

1 (2) Financial and commercial information and records submitted to  
2 either the department or the commission for the purpose of  
3 administering this chapter may be shared between the department and the  
4 commission. They may also be used, if required, in any suit or  
5 administrative hearing involving any provision of this chapter or a  
6 marketing order.

7 (3) This chapter does not prohibit:

8 (a) The issuance of general statements based upon the reports of  
9 persons subject to this chapter as long as the statements do not  
10 identify the information furnished by any person; or

11 (b) The publication by the director or the commission of the name  
12 of any person violating this chapter and a statement of the manner of  
13 the violation by that person.

14 NEW SECTION. Sec. 71. A new section is added to chapter 16.67 RCW  
15 to read as follows:

16 (1) Under RCW 42.17.31907, certain agricultural business records,  
17 commission records, and department of agriculture records relating to  
18 the commission and producers of agricultural commodities are exempt  
19 from public disclosure.

20 (2) Financial and commercial information and records submitted to  
21 either the department or the commission for the purpose of  
22 administering this chapter may be shared between the department and the  
23 commission. They may also be used, if required, in any suit or  
24 administrative hearing involving any provision of this chapter or a  
25 marketing order.

26 (3) This chapter does not prohibit:

27 (a) The issuance of general statements based upon the reports of  
28 persons subject to this chapter as long as the statements do not  
29 identify the information furnished by any person; or

30 (b) The publication by the director or the commission of the name  
31 of any person violating this chapter and a statement of the manner of  
32 the violation by that person.

33 NEW SECTION. Sec. 72. A new section is added to chapter 15.24 RCW  
34 to read as follows:

35 The director may provide by rule for a method to fund staff support  
36 for all commodity boards and commissions in accordance with section 78  
37 of this act if a position is not directly funded by the legislature and

1 costs related to the specific activity undertaken on behalf of an  
2 individual commodity board or commission. The commission shall provide  
3 funds to the department according to the rules adopted by the director.

4 NEW SECTION. **Sec. 73.** A new section is added to chapter 15.26 RCW  
5 to read as follows:

6 The director may provide by rule for a method to fund staff support  
7 for all commodity boards and commissions in accordance with section 78  
8 of this act if a position is not directly funded by the legislature and  
9 costs related to the specific activity undertaken on behalf of an  
10 individual commodity board or commission. The commission shall provide  
11 funds to the department according to the rules adopted by the director.

12 NEW SECTION. **Sec. 74.** A new section is added to chapter 15.28 RCW  
13 to read as follows:

14 The director may provide by rule for a method to fund staff support  
15 for all commodity boards and commissions in accordance with section 78  
16 of this act if a position is not directly funded by the legislature and  
17 costs related to the specific activity undertaken on behalf of an  
18 individual commodity board or commission. The commission shall provide  
19 funds to the department according to the rules adopted by the director.

20 NEW SECTION. **Sec. 75.** A new section is added to chapter 15.44 RCW  
21 to read as follows:

22 The director may provide by rule for a method to fund staff support  
23 for all commodity boards and commissions in accordance with section 78  
24 of this act if a position is not directly funded by the legislature and  
25 costs related to the specific activity undertaken on behalf of an  
26 individual commodity board or commission. The commission shall provide  
27 funds to the department according to the rules adopted by the director.

28 NEW SECTION. **Sec. 76.** A new section is added to chapter 15.88 RCW  
29 to read as follows:

30 The director may provide by rule for a method to fund staff support  
31 for all commodity boards or commissions in accordance with section 78  
32 of this act if a position is not directly funded by the legislature and  
33 costs related to the specific activity undertaken on behalf of an  
34 individual commodity board or commission. The commission shall provide  
35 funds to the department according to the rules adopted by the director.

1        NEW SECTION.    **Sec. 77.** A new section is added to chapter 16.67 RCW  
2 to read as follows:

3        The director may provide by rule for a method to fund staff support  
4 for all commodity boards or commissions in accordance with section 78  
5 of this act if a position is not directly funded by the legislature and  
6 costs related to the specific activity undertaken on behalf of an  
7 individual commodity board or commission. The commission shall provide  
8 funds to the department according to the rules adopted by the director.

9        NEW SECTION.    **Sec. 78.** A new section is added to chapter 43.23 RCW  
10 to read as follows:

11        (1) The director may provide by rule for a method to fund staff  
12 support for all commodity boards and commissions if a position is not  
13 directly funded by the legislature.

14        (2) Staff support funded under this section and sections 7(1)(c),  
15 44(3), and 72 through 77 of this act shall be limited to one-half full-  
16 time equivalent employee for all commodity boards and commissions.

17        NEW SECTION.    **Sec. 79.** A new section is added to chapter 16.67 RCW  
18 to read as follows:

19        The history, economy, culture, and the future of Washington state's  
20 agriculture involves the beef industry. In order to develop and  
21 promote beef and beef products as part of an existing comprehensive  
22 scheme to regulate those products the legislature declares:

23        (1) That the Washington state beef commission is created;

24        (2) That it is vital to the continued economic well-being of the  
25 citizens of this state and their general welfare that its beef and beef  
26 products be properly promoted by (a) enabling the beef industry to help  
27 themselves in establishing orderly, fair, sound, efficient, and  
28 unhampered marketing, grading, and standardizing of beef and beef  
29 products they produce; and (b) working to stabilize the beef industry  
30 by increasing consumption of beef and beef products within the state,  
31 the nation, and internationally;

32        (3) That beef producers operate within a regulatory environment  
33 that imposes burdens on them for the benefit of society and the  
34 citizens of the state and includes restrictions on marketing autonomy.  
35 Those restrictions may impair the beef producer's ability to compete in  
36 local, domestic, and foreign markets;

1 (4) That it is in the overriding public interest that support for  
2 the beef industry be clearly expressed, that adequate protection be  
3 given to agricultural commodities, uses, activities, and operations,  
4 and that beef and beef products be promoted individually, and as part  
5 of a comprehensive industry to:

6 (a) Enhance the reputation and image of Washington state's  
7 agriculture industry;

8 (b) Increase the sale and use of beef products in local, domestic,  
9 and foreign markets;

10 (c) Protect the public by educating the public in reference to the  
11 quality, care, and methods used in the production of beef and beef  
12 products, and in reference to the various cuts and grades of beef and  
13 the uses to which each should be put;

14 (d) Increase the knowledge of the health-giving qualities and  
15 dietetic value of beef products; and

16 (e) Support and engage in programs or activities that benefit the  
17 production, handling, processing, marketing, and uses of beef and beef  
18 products;

19 (5) That this chapter is enacted in the exercise of the police  
20 powers of this state for the purpose of protecting the health, peace,  
21 safety, and general welfare of the people of this state; and

22 (6) That the beef industry is a highly regulated industry and that  
23 this chapter and the rules adopted under it are only one aspect of the  
24 regulated industry. Other regulations and restraints applicable to the  
25 beef industry include the:

26 (a) Beef Promotion and Research Act of 1985, U.S.C. Title 7,  
27 Chapter 62;

28 (b) Beef promotion and research, 7 C.F.R., Part 1260;

29 (c) Agricultural Marketing Act, 7 U.S.C., section 1621;

30 (d) USDA meat grading, certification, and standards, 7 C.F.R., Part  
31 54;

32 (e) Mandatory price reporting, 7 C.F.R., Part 57;

33 (f) Grazing permits, 43 C.F.R., Part 2920;

34 (g) Capper-Volstead Act, U.S.C. Title 7, Chapters 291 and 292;

35 (h) Livestock identification under chapter 16.57 RCW and rules;

36 (i) Organic food products act under chapter 15.86 RCW and rules;

37 (j) Intrastate commerce in food, drugs, and cosmetics act under  
38 chapter 69.04 RCW and rules, including provisions of 21 C.F.R. relating

1 to the general manufacturing practices, food labeling, food standards,  
2 food additives, and pesticide tolerances;

3 (k) Washington food processing act under chapter 69.07 RCW and  
4 rules;

5 (l) Washington food storage warehouses act under chapter 69.10 RCW  
6 and rules;

7 (m) Animal health under chapter 16.36 RCW and rules; and

8 (n) Weights and measures under chapter 19.94 RCW and rules.

9 **Sec. 80.** RCW 16.67.030 and 1999 c 291 s 30 are each amended to  
10 read as follows:

11 For the purpose of this chapter:

12 (1) "Commission" means the Washington state beef commission.

13 (2) "Director" means the director of agriculture of the state of  
14 Washington or (~~his duty~~) an appointed representative.

15 (3) "Ex officio members" means those advisory members of the  
16 commission who do not have a vote.

17 (4) "Department" means the department of agriculture of the state  
18 of Washington.

19 (5) "Person" includes any individual, firm, corporation, trust,  
20 association, partnership, society, or any other organization of  
21 individuals.

22 (6) "Beef producer" means any person who raises, breeds, grows, or  
23 purchases cattle or calves for beef production.

24 (7) "Dairy (beef) producer" means any person who raises, breeds,  
25 grows, or purchases cattle for dairy production and who is actively  
26 engaged in the production of fluid milk.

27 (8) "Feeder" means any person actively engaged in the business of  
28 feeding cattle and usually operating a feed lot.

29 (9) "Producer" means any person actively engaged in the cattle  
30 industry including beef producers and dairy (beef) producers.

31 (10) "Washington cattle" shall mean all cattle owned or controlled  
32 by affected producers and located or sold in the state of Washington.

33 (11) "Meat packer" means any person operating a slaughtering  
34 establishment subject to inspection under a federal meat inspection  
35 act.

36 (12) "Livestock salesyard operator" means any person licensed to  
37 operate a cattle auction market or salesyard under the provisions of  
38 chapter 16.65 RCW as enacted or hereafter amended.

1       (13) "Mail" or "send" for purposes of any notice relating to rule  
2 making means regular mail or electronic distribution, as provided in  
3 RCW 34.05.260 for rule making. "Electronic distribution" or  
4 "electronically" means distribution by electronic mail or facsimile  
5 mail.

6       **Sec. 81.** RCW 16.67.070 and 1991 c 9 s 4 are each amended to read  
7 as follows:

8       (1) In the event a position on the commission becomes vacant due to  
9 resignation, disqualification, death, or for any other reason, the  
10 unexpired term of such position shall be filled by the director  
11 forthwith.

12       (2) Each member of the commission shall be compensated in  
13 accordance with RCW 43.03.230 ((and)).

14       (3) Each member or employee shall be reimbursed for actual travel  
15 expenses ((in accordance with)) incurred in carrying out the provisions  
16 of this chapter as defined by the commission in rule. Otherwise if not  
17 defined in rule, reimbursement for travel expenses shall be at the  
18 rates allowed by RCW 43.03.050 and 43.03.060.

19       **Sec. 82.** RCW 16.67.090 and 2000 c 146 s 2 are each amended to read  
20 as follows:

21       The powers and duties of the commission shall include the  
22 following:

23       (1) To administer and enforce the provisions of this chapter, and  
24 do all things reasonably necessary to effectuate the purposes of this  
25 chapter;

26       (2) To elect a chairman and such other officers as it deems  
27 advisable;

28       (3) To employ and discharge at its discretion a manager, secretary,  
29 and such other personnel, including attorneys engaged in the private  
30 practice of law subject to the ((approval and supervision)) review of  
31 the attorney general, as the commission determines are necessary and  
32 proper to carry out the purposes of this chapter, and to prescribe  
33 their duties and powers and fix their compensation;

34       (4) To adopt, rescind, and amend rules, regulations, and orders for  
35 the exercise of its powers hereunder subject to the provisions of  
36 chapter 34.05 RCW ((Administrative Procedure Act) as now or hereafter  
37 amended)), except that rule-making proceedings conducted under this

1 chapter are exempt from compliance with RCW 34.05.310, the provisions  
2 of chapter 19.85 RCW, the regulatory fairness act, and the provisions  
3 of RCW 43.135.055 when adoption of the rule is determined by a  
4 referendum vote of the affected parties;

5 (5) To establish by resolution, a headquarters which shall continue  
6 as such unless and until so changed by the commission. All records,  
7 books and minutes of the commission shall be kept at such headquarters;

8 (6) To require a bond of all commission members and employees of  
9 the commission in a position of trust in the amount the commission  
10 shall deem necessary. The premium for such bond or bonds shall be paid  
11 by the commission from assessments collected. Such bond shall not be  
12 necessary if any such commission member or employee is covered by any  
13 blanket bond covering officials or employees of the state of  
14 Washington;

15 (7) To establish a beef commission revolving fund, such fund to be  
16 deposited in a bank or banks or financial institution or institutions,  
17 approved for the deposit of state funds, in which all money received by  
18 the commission, except an amount of petty cash for each day's needs not  
19 to exceed one hundred dollars, shall be deposited each day or as often  
20 during the day as advisable; none of the provisions of RCW 43.01.050 as  
21 now or hereafter amended shall apply to money collected under this  
22 chapter;

23 (8) To prepare a budget or budgets covering anticipated income and  
24 expenses to be incurred in carrying out the provisions of this chapter  
25 during each fiscal year;

26 (9) To incur expense and enter into contracts and to create such  
27 liabilities as may be reasonable for the proper administration and  
28 enforcement of this chapter;

29 (10) To borrow money, not in excess of its estimate of its revenue  
30 from the current year's contributions;

31 (11) To keep or cause to be kept in accordance with accepted  
32 standards of good accounting practice, accurate records of all  
33 assessments, expenditures, moneys and other financial transactions made  
34 and done pursuant to this chapter. Such records, books and accounts  
35 shall be audited at least every five years subject to procedures and  
36 methods lawfully prescribed by the state auditor. Such books and  
37 accounts shall be closed as of the last day of each fiscal year. A  
38 copy of such audit shall be delivered within thirty days after  
39 completion thereof to the director, the state auditor and the



1 commission. On such years and in such event the state auditor is  
2 unable to audit the records, books and accounts within six months  
3 following the close of the audit period it shall be mandatory that the  
4 commission employ a private auditor to make such audit;

5 (12) To sue and be sued as a commission, without individual  
6 liability for acts of the commission within the scope of the powers  
7 conferred upon it by this chapter;

8 (13) To cooperate with any other local, state, or national  
9 commission, organization or agency, whether voluntary or established by  
10 state or federal law, including recognized livestock groups, engaged in  
11 work or activities similar to the work and activities of the commission  
12 created by this chapter and make contracts and agreements with such  
13 organizations or agencies for carrying on joint programs beneficial to  
14 the beef industry;

15 (14) To accept grants, donations, contributions or gifts from any  
16 governmental agency or private source for expenditures for any purpose  
17 consistent with the provisions of this chapter; and

18 (15) To operate jointly with beef commissions or similar agencies  
19 established by state laws in adjoining states.

20 **Sec. 83.** RCW 16.67.120 and 2000 c 146 s 5 are each amended to read  
21 as follows:

22 (1) There is hereby levied an assessment of (~~(fifty cents)~~) one  
23 dollar per head on all Washington cattle sold in this state or  
24 elsewhere to be paid by the seller at the time of sale: PROVIDED, That  
25 if such sale is accompanied by a brand inspection by the department  
26 such assessment may be collected at the same time, place and in the  
27 same manner as brand inspection fees. Such fees may be collected by  
28 the livestock services division of the department and transmitted to  
29 the commission: PROVIDED FURTHER, That, if such sale is made without  
30 a brand inspection by the department the assessment shall be paid by  
31 the seller and transmitted directly to the commission by the fifteenth  
32 day of the month following the month the transaction occurred.

33 (2) The procedures for collecting all state and federal assessments  
34 under this chapter shall be as required by the federal order and as  
35 described by rules adopted by the commission.

36 **Sec. 84.** RCW 16.67.122 and 2000 c 146 s 6 are each amended to read  
37 as follows:

1           In addition to the assessment authorized pursuant to RCW 16.67.120,  
2 the commission has the authority to collect an additional assessment of  
3 (~~one dollar~~) fifty cents per head for cattle subject to assessment by  
4 federal order for the purpose of providing funds for a national beef  
5 promotion and research program. The manner in which this assessment  
6 will be levied and collected shall be established by rule. The  
7 authority to collect this assessment shall be contingent upon the  
8 implementation of federal legislation providing for a national beef  
9 promotion and research program and the establishment of the assessment  
10 requirement to fund its activities.

11           NEW SECTION. Sec. 85. A new section is added to chapter 16.67 RCW  
12 to read as follows:

13           The commission has the power to subpoena witnesses and to issue  
14 subpoenas for the production of any books, records, or documents of any  
15 kind for the purpose of enforcing this chapter.

16           NEW SECTION. Sec. 86. A new section is added to chapter 16.67 RCW  
17 to read as follows:

18           (1) The commission shall reimburse the director for necessary costs  
19 for services conducted on behalf of the commission under this chapter.

20           (2) The commission may enter into an agreement with the director to  
21 administer this chapter or chapter 34.05 RCW.

22           NEW SECTION. Sec. 87. A new section is added to chapter 15.44 RCW  
23 to read as follows:

24           The history, economy, culture, and the future of Washington state's  
25 agriculture involves the dairy industry. In order to develop and  
26 promote Washington's dairy products as part of an existing  
27 comprehensive scheme to regulate those products the legislature  
28 declares:

29           (1) That the Washington state dairy products commission is created.  
30 The commission may also take actions under the name "the dairy farmers  
31 of Washington";

32           (2) That it is vital to the continued economic well-being of the  
33 citizens of this state and their general welfare that its dairy  
34 products be properly promoted by (a) enabling the dairy industry to  
35 help themselves in establishing orderly, fair, sound, efficient, and  
36 unhampered marketing, grading, and standardizing of the dairy products

1 they produce; and (b) working to stabilize the dairy industry by  
2 increasing consumption of dairy products within the state, the nation,  
3 and internationally;

4 (3) That dairy producers operate within a regulatory environment  
5 that imposes burdens on them for the benefit of society and the  
6 citizens of the state and includes restrictions on marketing autonomy.  
7 Those restrictions may impair the dairy producer's ability to compete  
8 in local, domestic, and foreign markets;

9 (4) That it is in the overriding public interest that support for  
10 the dairy industry be clearly expressed, that adequate protection be  
11 given to agricultural commodities, uses, activities, and operations,  
12 and that dairy products be promoted individually, and as part of a  
13 comprehensive industry to:

14 (a) Enhance the reputation and image of Washington state's  
15 agriculture industry;

16 (b) Increase the sale and use of Washington state's dairy products  
17 in local, domestic, and foreign markets;

18 (c) Protect the public by educating the public in reference to the  
19 quality, care, and methods used in the production of Washington state's  
20 dairy products;

21 (d) Increase the knowledge of the health giving qualities and  
22 dietetic value of dairy products; and

23 (e) Support and engage in programs or activities that benefit the  
24 production, handling, processing, marketing, and uses of dairy products  
25 produced in Washington state;

26 (5) That this chapter is enacted in the exercise of the police  
27 powers of this state for the purpose of protecting the health, peace,  
28 safety, and general welfare of the people of this state; and

29 (6) That the dairy industry is a highly regulated industry and  
30 that this chapter and the rules adopted under it are only one aspect of  
31 the regulated industry. Other regulations and restraints applicable to  
32 the dairy industry include the:

33 (a) Federal marketing order under 7 C.F.R., Part 1124;

34 (b) Dairy promotion program under the dairy and tobacco adjustment  
35 act of 1983, Subtitle B;

36 (c) Milk and milk products act under chapter 15.36 RCW and rules,  
37 including the:

38 (i) The national conference of interstate milk shippers pasteurized  
39 milk ordinance;

- 1 (ii) The national conference of interstate milk shippers dry milk  
2 ordinance;
- 3 (iii) Standards for the fabrication of single-service containers;
- 4 (iv) Procedures governing cooperative state-public health service;
- 5 (v) Methods of making sanitation ratings of milk supplies;
- 6 (vi) Evaluation and certification of milk laboratories; and
- 7 (vii) Interstate milk shippers;
- 8 (d) Milk and milk products for animal food act under chapter 15.37  
9 RCW and rules;
- 10 (e) Organic food products act under chapter 15.86 RCW and rules;
- 11 (f) Intrastate commerce in food, drugs, and cosmetics act under  
12 chapter 69.04 RCW and rules, including provisions of 21 C.F.R. relating  
13 to the general manufacturing practices, milk processing, food labeling,  
14 food standards, and food additives;
- 15 (g) Washington food processing act under chapter 69.07 RCW and  
16 rules;
- 17 (h) Washington food storage warehouses act under chapter 69.10 RCW  
18 and rules;
- 19 (i) Animal health under chapter 16.36 RCW and rules;
- 20 (j) Weighmasters under chapter 15.80 RCW and rules; and
- 21 (k) Dairy nutrient management act under chapter 90.64 RCW and  
22 rules.

23 **Sec. 88.** RCW 15.44.010 and 1985 c 261 s 17 are each amended to  
24 read as follows:

25 As used in this chapter:

26 "Commission" means the Washington state dairy products commission;

27 To "ship" means to deliver or consign milk or cream to a person  
28 dealing in, processing, distributing, or manufacturing dairy products  
29 for sale, for human consumption or industrial or medicinal uses;

30 "Handler" means one who purchases milk, cream, or skimmed milk for  
31 processing, manufacturing, sale, or distribution;

32 "Dealer" means one who handles, ships, buys, and sells dairy  
33 products, or who acts as sales or purchasing agent, broker, or factor  
34 of dairy products;

35 "Mail" or "send" for purposes of any notice relating to rule  
36 making, referenda, or elections means regular mail or electronic  
37 distribution, as provided in RCW 34.05.260 for rule making.

1 "Electronic distribution" or "electronically" means distribution by  
2 electronic mail or facsimile mail;

3 "Processor" means a person who uses milk or cream for canning,  
4 drying, manufacturing, preparing, or packaging or for use in producing  
5 or manufacturing any product therefrom;

6 "Producer" means a person who produces milk from cows and sells it  
7 for human or animal food, or medicinal or industrial uses;

8 "Maximum authorized assessment rate" means the level of assessment  
9 most recently approved by a referendum of producers;

10 "Current level of assessment" means the level of assessment paid by  
11 the producer as set by the commission which cannot exceed the maximum  
12 authorized assessment rate.

13 **Sec. 89.** RCW 15.44.020 and 1979 ex.s. c 238 s 2 are each amended  
14 to read as follows:

15 (~~(There is hereby created a Washington state dairy products~~  
16 ~~commission to be thus known and designated: PROVIDED, That the~~  
17 ~~commission may take actions under the name, "the dairy farmers of~~  
18 ~~Washington".-)) The dairy products commission shall be composed of not  
19 more than ten members. There shall be one member from each district  
20 who shall be a practical producer of dairy products to be elected by  
21 such producers, one member shall be a dealer, and one member shall be  
22 a producer who also acts as a dealer, and such dealer and producer who  
23 acts as a dealer shall be appointed by the director of agriculture, and  
24 the director of agriculture shall be an ex officio member without vote.~~

25 **Sec. 90.** RCW 15.44.035 and 1965 ex.s. c 44 s 7 are each amended to  
26 read as follows:

27 (1) The commission shall prior to each election, in sufficient time  
28 to satisfy the requirements of RCW 15.44.033, furnish the director with  
29 a list of all producers within the district for which the election is  
30 being held. The commission shall require each dealer and shipper in  
31 addition to the information required under RCW 15.44.110 to furnish the  
32 commission with a list of names of producers whose milk they handle.

33 (2) Any producer may on his or her own motion file his or her name  
34 with the commission for the purpose of receiving notice of election.

35 (3) It is the responsibility of each producer to ensure that his or  
36 her correct address is filed with the commission.

1       (4) For all purposes of giving notice, holding referenda, and  
2 electing members of the commission, the applicable list of producers  
3 corrected up to the day preceding the date the list is certified and  
4 mailed to the director is deemed to be the list of all producers or  
5 handlers, as applicable, entitled to notice or to vote. The list shall  
6 be corrected and brought up-to-date in accordance with evidence and  
7 information provided to the commission.

8       **NEW SECTION. Sec. 91.** A new section is added to chapter 15.44 RCW  
9 to read as follows:

10       (1) The commission shall reimburse the director for necessary costs  
11 for services conducted on behalf of the commission under this chapter.

12       (2) The commission may enter into an agreement with the director to  
13 administer this chapter or chapter 34.05 RCW.

14       **Sec. 92.** RCW 15.44.038 and 1984 c 287 s 15 are each amended to  
15 read as follows:

16       (1) A majority of the commission members shall constitute a quorum  
17 for the transaction of all business and the performance of all duties  
18 of the commission.

19       (2) Each member shall be compensated in accordance with RCW  
20 43.03.230 ((and)). Each member or employee shall be reimbursed for  
21 actual travel expenses incurred in carrying out the provisions of this  
22 chapter as defined by the commission in rule. Otherwise, if not  
23 defined in rule, reimbursement for travel expenses shall be at the  
24 rates allowed by RCW 43.03.050 and 43.03.060.

25       **Sec. 93.** RCW 15.44.060 and 1999 c 300 s 1 are each amended to read  
26 as follows:

27       The commission shall have the power and duty to:

28       (1) Elect a chairman and such other officers as it deems advisable,  
29 and adopt, rescind, and amend rules, regulations, and orders for the  
30 exercise of its powers, which shall have the effect of law when not  
31 inconsistent with existing laws;

32       (2) Administer and enforce the provisions of this chapter and  
33 perform all acts and exercise all powers reasonably necessary to  
34 effectuate the purpose hereof;

1 (3) Employ and discharge advertising counsel, advertising agents,  
2 and such attorneys, agents, and employees as it deems necessary, and  
3 prescribe their duties and powers and fix their compensation;

4 (4) Establish offices, incur expenses, enter into contracts, and  
5 create such liabilities as are reasonable and proper for the proper  
6 administration of this chapter;

7 (5) Investigate and prosecute violations of this chapter;

8 (6) Conduct scientific research designed to improve milk  
9 production, quality, transportation, processing, and distribution and  
10 to develop and discover uses for products of milk and its derivatives;

11 (7) Make in its name such ~~((advertising))~~ contracts and other  
12 agreements as are necessary to build demand and promote the sale of  
13 dairy products on either a state, national, or foreign basis;

14 (8) Keep accurate records of all its dealings, which shall be open  
15 to public inspection and audit by the regular agencies of the state;

16 (9) Conduct the necessary research to develop more efficient and  
17 equitable methods of marketing dairy products, and enter upon, singly  
18 or in participation with others, the promotion and development of  
19 state, national, or foreign markets; ~~((and))~~

20 (10) Participate in federal and state agency hearings, meetings,  
21 and other proceedings relating to the regulation of the production,  
22 manufacture, distribution, sale, or use of dairy products, to provide  
23 educational meetings and seminars for the dairy industry on such  
24 matters, and to expend commission funds for such activities;

25 (11) Retain the services of private legal counsel to conduct legal  
26 actions, on behalf of the commission. The retention of a private  
27 attorney is subject to the review of the office of the attorney  
28 general;

29 (12) Work cooperatively with other local, state, and federal  
30 agencies, universities, and national organizations for the purposes of  
31 this chapter;

32 (13) Accept and expend or retain any gifts, bequests,  
33 contributions, or grants from private persons or private and public  
34 agencies to carry out the purposes of this chapter;

35 (14) Engage in appropriate fund-raising activities for the purpose  
36 of supporting activities of the commission authorized by this chapter;

37 (15) Expend funds for commodity-related education, training, and  
38 leadership programs as the commission deems appropriate; and

1       (16) Work cooperatively with nonprofit and other organizations to  
2 carry out the purposes of this chapter.

3       **Sec. 94.** RCW 15.44.070 and 1975 1st ex.s. c 7 s 39 are each  
4 amended to read as follows:

5       (1) Every rule(~~(, regulation,)~~) or order made by the commission  
6 shall be filed with the director and published in two legal newspapers,  
7 one east and one west of the Cascade mountains (~~and one west~~  
8 thereof)), within ten days after it is (~~promulgated~~) adopted, and  
9 (~~shall become~~) is effective (~~pursuant to the provisions of~~) as set  
10 forth under RCW 34.05.380.

11       (2) Rule-making proceedings conducted under this chapter are exempt  
12 from compliance with RCW 34.05.310, the provisions of chapter 19.85  
13 RCW, the regulatory fairness act, and the provisions of RCW 43.135.055  
14 when adoption of the rule is determined by a referendum vote of the  
15 affected parties.

16       **Sec. 95.** RCW 15.44.080 and 1985 c 261 s 18 are each amended to  
17 read as follows:

18       (1) There is hereby levied upon all milk produced in this state an  
19 assessment of (~~0.6%~~):

20       (a) 0.75 percent of class I price for 3.5(~~%)~~ percent butter fat  
21 milk as established in any market area by a market order in effect in  
22 that area or by the state department of agriculture in case there is no  
23 market order for that area; (~~and~~) or

24       (b) While the federal dairy and tobacco adjustment act of 1983,  
25 Title I, Subtitle B-dairy promotion program, is in effect:

26       (i) An assessment rate not to exceed the rate approved at the most  
27 recent referendum that would achieve a ten cent per hundredweight  
28 credit to local, state, or regional promotion organizations provided by  
29 Title I, Subtitle B of the federal dairy and tobacco adjustment act of  
30 1983; and

31       (ii) An additional assessment of .00625 cent per hundredweight.

32       (2) Subject to approval by a producer referendum as provided in  
33 this section, the commission shall have the further power and duty to  
34 increase the amount of the maximum authorized assessment rate to be  
35 levied upon either milk or cream according to the necessities required  
36 to effectuate the stated purpose of the commission.



1 In determining such necessities, the commission shall consider one  
2 or more of the following:

3 (a) The necessities of((—)):

4 (i) Developing better and more efficient methods of marketing milk  
5 and related dairy products;

6 (ii) Aiding dairy producers in preventing economic waste in the  
7 marketing of their commodities;

8 (iii) Developing and engaging in research for developing better and  
9 more efficient production, marketing, and utilization of agricultural  
10 products;

11 (iv) Establishing orderly marketing of dairy products;

12 (v) Providing for uniform grading and proper preparation of dairy  
13 products for market;

14 (vi) Providing methods and means including but not limited to  
15 public relations and promotion, for the maintenance of present markets,  
16 for development of new or larger markets, both domestic and foreign,  
17 for dairy products produced within this state, and for the prevention,  
18 modification, or elimination of trade barriers which obstruct the free  
19 flow of such agricultural commodities to market;

20 (vii) Restoring and maintaining adequate purchasing power for dairy  
21 producers of this state; and

22 (viii) Protecting the interest of consumers by assuring a  
23 sufficient pure and wholesome supply of milk and cream of good quality;

24 (b) The extent and probable cost of required research and market  
25 promotion and advertising;

26 (c) The extent of public convenience, interest, and necessity; and

27 (d) The probable revenue from the assessment as a consequence of  
28 its being revised.

29 (3)(a) This section shall apply where milk or cream is marketed  
30 either in bulk or package. However, this section shall not apply to  
31 milk or cream used upon the farm or in the household where produced.

32 (b) The increase in the maximum authorized assessment rate to be  
33 charged producers on milk and cream provided for in this section shall  
34 not become effective until approved by fifty-one percent of the  
35 producers voting in a referendum conducted by the commission.

36 The referendum for approval of any increase in the maximum  
37 authorized assessment rate provided for in this section shall be by  
38 secret mail ballot furnished to all producers paying assessments to the  
39 commission. The commission shall furnish ballots to producers at least

1 ten days in advance of the day it has set for concluding the referendum  
2 and counting the ballots. Any interested producer may be present at  
3 such time the commission counts ~~((said))~~ the ballots.

4 **Sec. 96.** RCW 15.44.085 and 1979 ex.s. c 238 s 5 are each amended  
5 to read as follows:

6 There is hereby levied on every hundredweight of class I or class  
7 II milk, as defined in RCW 15.44.087, sold by a dealer, including any  
8 milk sold by a producer who acts as a dealer, an assessment of:

9 (1) Five-eighths of one cent per hundredweight. Such assessment  
10 shall be in addition to the producer assessment paid by any producer  
11 who also acts as a dealer.

12 (2) Any additional assessment, within the power and duty of the  
13 commission to levy, such that the total assessment shall not exceed one  
14 cent per hundredweight, as required to effectuate the purpose of this  
15 section.

16 Such assessment may be increased by approval of dealers and  
17 producers who also act as dealers, subject to the standards set forth  
18 in chapter 15.44 RCW for increasing or decreasing assessments. The  
19 funds derived from such assessment shall be used for educational  
20 programs ~~((in institutions of learning))~~ and the sum of such funds  
21 derived annually from said dealers and producers who act as dealers  
22 shall be matched by assessments derived from producers for the purpose  
23 of funding ~~((said))~~ the educational purposes ~~((in institutions of  
24 learning))~~ by an amount not less than the moneys collected from dealers  
25 and producers who act as dealers.

26 **Sec. 97.** RCW 15.44.110 and 1961 c 11 s 15.44.110 are each amended  
27 to read as follows:

28 (1) Each dealer and shipper shall at such times as by rule ~~((or  
29 regulation))~~ required~~((7))~~ file with the commission a return under oath  
30 on forms to be furnished by the commission, stating the quantity of  
31 dairy products handled, processed, manufactured, delivered, and  
32 shipped, and the quantity of all milk and cream delivered to or  
33 purchased by such person from the various producers of dairy products  
34 or their agents in the state during the period or periods prescribed by  
35 the commission.

1       (2) The commission has the authority to issue subpoenas for the  
2 production of books, records, documents, and other writings of any kind  
3 and may issue subpoenas to witnesses to give testimony.

4       **Sec. 98.** RCW 15.44.140 and 1961 c 11 s 15.44.140 are each amended  
5 to read as follows:

6       (1) The commission through its agents may inspect the premises and  
7 records of any carrier, handler, dealer, manufacturer, processor, or  
8 distributor of dairy products for the purpose of enforcing this  
9 chapter.

10       (2) The commission has the authority to issue subpoenas for the  
11 production of books, records, documents, and other writings of any kind  
12 for any carrier, handler, dealer, manufacturer, processor, or  
13 distributor of dairy products for the purpose of enforcing this  
14 chapter.

15       NEW SECTION. **Sec. 99.** A new section is added to chapter 15.44 RCW  
16 to read as follows:

17       The commission is authorized to adopt rules governing promotional  
18 hosting expenditures by commission employees, agents, or board members  
19 under RCW 15.04.200.

20       NEW SECTION. **Sec. 100.** A new section is added to chapter 15.44  
21 RCW to read as follows:

22       The commission may establish foundations using commission funds as  
23 grant money when the foundation benefits the dairy products industry.  
24 Commission funds may only be used for the purposes authorized in this  
25 chapter.

26       NEW SECTION. **Sec. 101.** A new section is added to chapter 15.44  
27 RCW to read as follows:

28       Any board member of the commission may be a member or officer of an  
29 association that has the same objectives for which the commission was  
30 formed. The commission may contract with the association for services  
31 necessary to carry out any purposes authorized under this chapter if an  
32 appropriate written contract has been entered into.

33       **Sec. 102.** RCW 15.44.150 and 1961 c 11 s 15.44.150 are each amended  
34 to read as follows:

1       (~~The state shall not be liable for the acts or on the contracts of~~  
2 ~~the commission, nor shall any member or employee of the commission be~~  
3 ~~liable on its contracts.~~) Any action by the commission administrator,  
4 member, employee, or agent thereof pertaining to the performance or  
5 nonperformance or misperformance of any matters or things authorized,  
6 required, or permitted by this chapter, and any other liabilities,  
7 debts, or claims against the commission shall be enforced in the same  
8 manner as if the commission were a corporation. Liability for the  
9 debts or actions of the commission's administrator, member, employee,  
10 or agent incurred in their official capacity under this chapter does  
11 not exist either against the administrator, members, employees, and  
12 agents in their individual capacity or the state of Washington. The  
13 administrator, its members, and its agents and employees are not  
14 responsible individually in any way whatsoever to any person for errors  
15 in judgment, mistakes, or other acts, either of commission or omission,  
16 as principal, agent, person, or employee, except for their own  
17 individual acts of dishonesty or crime.

18       All persons employed or contracting under this chapter shall be  
19 limited to, and all salaries, expenses, and liabilities incurred by the  
20 commission shall be payable only from the funds collected ((hereunder))  
21 under this chapter.

22       NEW SECTION. Sec. 103. A new section is added to chapter 15.28  
23 RCW to read as follows:

24       The history, economy, culture, and the future of Washington state's  
25 agriculture involves the production of soft tree fruits. In order to  
26 develop and promote Washington's soft tree fruits as part of an  
27 existing comprehensive regulatory scheme the legislature declares:

28       (1) That the Washington state fruit commission is created;

29       (2) That it is vital to the continued economic well-being of the  
30 citizens of this state and their general welfare that its soft tree  
31 fruits be properly promoted by (a) enabling the soft tree fruit  
32 industry to help themselves in establishing orderly, fair, sound,  
33 efficient, and unhampered cooperative marketing, grading, and  
34 standardizing of soft tree fruits they produce; and (b) working to  
35 stabilize the soft tree fruit industry by increasing consumption of  
36 soft tree fruits within the state, the nation, and internationally;

37       (3) That producers of soft tree fruits operate within a regulatory  
38 environment that imposes burdens on them for the benefit of society and

1 the citizens of the state and includes restrictions on marketing  
2 autonomy. Those restrictions may impair the producers of soft tree  
3 fruits in their ability to compete in local, domestic, and foreign  
4 markets;

5 (4) That it is in the overriding public interest that support for  
6 the soft tree fruit industry be clearly expressed, that adequate  
7 protection be given to agricultural commodities, uses, activities, and  
8 operations, and that soft tree fruits be promoted individually, and as  
9 part of a comprehensive industry to:

10 (a) Enhance the reputation and image of Washington state's  
11 agriculture industry;

12 (b) Increase the sale and use of Washington state's soft tree  
13 fruits in local, domestic, and foreign markets;

14 (c) Protect the public by educating the public in reference to the  
15 quality, care, and methods used in the production of Washington state's  
16 soft tree fruits;

17 (d) Increase the knowledge of the health-giving qualities and  
18 dietetic value of soft tree fruits;

19 (e) Support and engage in cooperative programs or activities that  
20 benefit the production, handling, processing, marketing, and uses of  
21 soft tree fruits produced in Washington state;

22 (5) That this chapter is enacted in the exercise of the police  
23 powers of this state for the purpose of protecting the health, peace,  
24 safety, and general welfare of the people of this state and to  
25 stabilize and protect the soft tree fruit industry of the state; and

26 (6) That the production and marketing of soft tree fruit is a  
27 highly regulated industry and that the provisions of this chapter and  
28 the rules adopted under it are only one aspect of the regulated  
29 industry. Other regulations and restraints applicable to the soft tree  
30 fruit industry include:

31 (a) The federal marketing order under 7 C.F.R. Part 922 (apricots);

32 (b) The federal marketing order under 7 C.F.R. Part 923 (sweet  
33 cherries);

34 (c) The federal marketing order under 7 C.F.R. Part 924 (prunes);

35 (d) The federal marketing order under 7 C.F.R. Part 930 (tart  
36 cherries);

37 (e) The federal marketing order under 7 C.F.R. Part 931 (Bartlett  
38 pears);

39 (f) Tree fruit research act under chapter 15.26 RCW;

- 1 (g) Controlled atmosphere storage of fruits and vegetables under  
2 chapter 15.30 RCW;
- 3 (h) Organic food products act under chapter 15.86 RCW;
- 4 (i) Intrastate commerce in food, drugs, and cosmetics under chapter  
5 69.04 RCW and rules;
- 6 (j) Washington food processing act under chapter 69.07 RCW;
- 7 (k) Washington food storage warehouses act under chapter 69.10 RCW;
- 8 (l) Weighmasters under chapter 15.80 RCW;
- 9 (m) Horticultural pests and diseases under chapter 15.08 RCW;
- 10 (n) Horticultural plants and facilities - inspection and licensing  
11 under chapter 15.13 RCW;
- 12 (o) Planting stock under chapter 15.14 RCW;
- 13 (p) Standards of grades and packs under chapter 15.17 RCW;
- 14 (q) Washington pesticide control act under chapter 15.58 RCW;
- 15 (r) Farm marketing under chapter 15.64 RCW;
- 16 (s) Insect pests and plant diseases under chapter 17.24 RCW;
- 17 (t) Weights and measures under chapter 19.94 RCW;
- 18 (u) Agricultural products - commission merchants, dealers, brokers,  
19 buyers, and agents under chapter 20.01 RCW; and
- 20 (v) Rules under the Washington Administrative Code, Title 16.

21 **Sec. 104.** RCW 15.28.010 and 1989 c 354 s 27 are each amended to  
22 read as follows:

23 As used in this chapter:

24 (1) "Commission" means the Washington state fruit commission.

25 (2) "Shipment" or "shipped" includes loading in a conveyance to be  
26 transported to market for resale, and includes delivery to a processor  
27 or processing plant, but does not include movement from the orchard  
28 where grown to a packing or storage plant within this state for fresh  
29 shipment;

30 (3) "Handler" means any person who ships or initiates the shipping  
31 operation, whether as owner, agent or otherwise;

32 (4) "Dealer" means any person who handles, ships, buys, or sells  
33 soft tree fruits other than those grown by him or her, or who acts as  
34 sales or purchasing agent, broker, or factor of soft tree fruits;

35 (5) "Processor" or "processing plant" includes every person or  
36 plant receiving soft tree fruits for the purpose of drying,  
37 dehydrating, canning, pressing, powdering, extracting, cooking, quick-  
38 freezing, brining, or for use in manufacturing a product;

1 (6) "Soft tree fruits" mean Bartlett pears and all varieties of  
2 cherries, apricots, prunes, plums, and peaches, which includes all  
3 varieties of nectarines. "Bartlett pears" means and includes all  
4 standard Bartlett pears and all varieties, strains, subvarieties, and  
5 sport varieties of Bartlett pears including Red Bartlett pears, that  
6 are harvested and utilized at approximately the same time and  
7 approximately in the same manner.

8 (7) "Commercial fruit" or "commercial grade" means soft tree fruits  
9 meeting the requirements of any established or recognized fresh fruit  
10 or processing grade. Fruit bought or sold on orchard run basis and not  
11 subject to cull weighback shall be deemed to be "commercial fruit."

12 (8) "Cull grade" means fruit of lower than commercial grade except  
13 when such fruit included with commercial fruit does not exceed the  
14 permissible tolerance permitted in a commercial grade;

15 (9) "Producer" means any person who is a grower of any soft tree  
16 fruit;

17 (10) "District No. 1" or "first district" includes the counties of  
18 Chelan, Okanogan, Grant, Douglas, Ferry, Stevens, Pend Oreille, Spokane  
19 and Lincoln;

20 (11) "District No. 2" or "second district" includes the counties of  
21 Kittitas, Yakima, and Benton county north of the Yakima river;

22 (12) "District No. 3" or "third district" comprises all of the  
23 state not included in the first and second districts;

24 (13) "Mail" or "send" for purposes of any notice relating to rule  
25 making, referenda, or elections means regular mail or electronic  
26 distribution, as provided in RCW 34.05.260 for rule making.  
27 "Electronic distribution" or "electronically" means distribution by  
28 electronic mail or facsimile mail;

29 (14) "Department" means the department of agriculture;

30 (15) "Director" means the director of agriculture.

31 **Sec. 105.** RCW 15.28.020 and 1967 c 191 s 1 are each amended to  
32 read as follows:

33 ~~((A corporation to be known as the Washington state fruit~~  
34 ~~commission is hereby created,)) The commission is composed of sixteen  
35 voting members, ((to wit)) as follows: Ten producers, four dealers,  
36 and two processors, who ((shall be)) are elected and qualified as  
37 ((herein)) provided in this chapter. The director ((of agriculture,  
38 hereinafter referred to as the director, or his duly)), or an~~

1 authorized representative, shall be an ex officio member without a  
2 vote.

3 A majority of the voting members (~~shall~~) constitute a quorum for  
4 the transaction of any business.

5 **Sec. 106.** RCW 15.28.110 and 1961 c 11 s 15.28.110 are each amended  
6 to read as follows:

7 The commission's duties are:

8 (1) To adopt a (~~corporate~~) commission seal;

9 (2) To elect a secretary-manager(~~7~~) and a treasurer, and fix  
10 their compensation. The same person may be elected to both (~~of said~~)  
11 offices;

12 (3) To establish classifications of soft tree fruits;

13 (4) To conduct scientific research and develop the healthful,  
14 therapeutic, and dietetic value of (~~said~~) fruits, and promote the  
15 general welfare of the soft tree fruit industry of the state;

16 (5) To conduct a comprehensive advertising and educational campaign  
17 to effectuate the objects of this chapter;

18 (6) To increase the production, and develop and expand the markets,  
19 and improve the handling and quality of (~~said~~) fruits;

20 (7) To keep accurate accounts and records of all of its dealings,  
21 which shall be open to inspection and audit by the state auditor;

22 (8) To investigate and prosecute violations (~~hereof~~) of this  
23 chapter; and

24 (9) To serve as an advisory committee to the director with regard  
25 to the adoption and enforcement of rules:

26 (a) Governing the grading, packing, and size and dimensions of  
27 commercial containers of soft tree fruits; and

28 (b) Fixing commercial grades of soft tree fruits and the issuance  
29 of certificates of inspection for those fruits.

30 **Sec. 107.** RCW 15.28.130 and 1961 c 11 s 15.28.130 are each amended  
31 to read as follows:

32 Neither the state, nor any member, agent, or employee of the  
33 commission, (~~shall be~~) is liable for the acts of the commission, or  
34 upon its contracts.

35 All salaries, expenses, costs, obligations, and liabilities of the  
36 commission, and claims arising from the administration of this chapter,



1 (~~shall be~~) are payable only from funds collected (~~hereunder~~) under  
2 this chapter.

3 In any civil or criminal action or proceeding for violation of any  
4 rule of statutory or common law against monopolies or combinations in  
5 restraint of trade, including any action under chapter 19.86 RCW, proof  
6 that the act complained of was done in compliance with the provisions  
7 of this chapter, and in furtherance of the purposes and provisions of  
8 this chapter, is a complete defense to such an action or proceeding.

9 **Sec. 108.** RCW 15.28.250 and 1961 c 11 s 15.28.250 are each amended  
10 to read as follows:

11 Unless the assessment has been paid by the grower and evidence  
12 thereof submitted by him or her, the dealer, handler, or processor  
13 (~~shall be~~) is responsible for the payment of all assessments  
14 (~~hereunder~~) under this chapter on all soft tree fruits handled,  
15 shipped, or processed by him or her but he or she shall charge the same  
16 against the grower, who shall be primarily responsible for such  
17 payment. Assessments are due upon receipt of an invoice for the  
18 assessments.

19 If the assessment becomes delinquent, the department shall cease to  
20 provide inspection services under chapter 15.17 RCW to the delinquent  
21 party until that party pays all delinquent assessments, interest, and  
22 penalties.

23 Any assessment due and payable under this section constitutes a  
24 personal debt of every person so assessed or who otherwise owes the  
25 same. In addition, the commission may add to such unpaid assessment or  
26 sum an amount not exceeding ten percent of the same to defray the cost  
27 of enforcing the collecting of the same. In the event of failure of  
28 such person or persons to pay any such due and payable assessment or  
29 other such sum, the commission may bring a civil action against such  
30 person or persons, together with the specified ten percent thereon, and  
31 such action shall be tried and judgment rendered as in any other cause  
32 of action for debt due and payable.

33 NEW SECTION. **Sec. 109.** A new section is added to chapter 15.28  
34 RCW to read as follows:

35 Rule-making proceedings conducted under this chapter are exempt  
36 from compliance with RCW 34.05.310 and the provisions of chapter 19.85

1 RCW, the regulatory fairness act, when adoption of the rule is  
2 determined by a referendum vote of the affected parties.

3 NEW SECTION. **Sec. 110.** A new section is added to chapter 15.88  
4 RCW to read as follows:

5 The history, economy, culture, and future of Washington state's  
6 agriculture involves the wine industry. In order to develop and  
7 promote wine grapes and wine as part of an existing comprehensive  
8 scheme to regulate those products the legislature declares:

9 (1) That it is vital to the continued economic well-being of the  
10 citizens of this state and their general welfare that its wine grapes  
11 and wine be properly promoted by (a) enabling the wine industry to help  
12 themselves in establishing orderly, fair, sound, efficient, and  
13 unhampered marketing of wine grapes and wines they produce; and (b)  
14 working to stabilize the wine industry by increasing markets for wine  
15 grapes and wine within the state, the nation, and internationally;

16 (2) That wine grape growers and wine producers operate within a  
17 regulatory environment that imposes burdens on them for the benefit of  
18 society and the citizens of the state and includes restrictions on  
19 marketing autonomy. Those restrictions may impair the wine grape  
20 growers' and wine producers' ability to compete in local, domestic, and  
21 foreign markets;

22 (3) That it is in the overriding public interest that support for  
23 the wine industry be clearly expressed; that adequate protection be  
24 given to agricultural commodities, uses, activities, and operations;  
25 and that wine grapes and wine be promoted individually, and as part of  
26 a comprehensive industry to:

27 (a) Enhance the reputation and image of Washington state's  
28 agriculture industry;

29 (b) Increase the sale and use of wine grapes and wine in local,  
30 domestic, and foreign markets;

31 (c) Protect the public by educating the public in reference to the  
32 quality, care, and methods used in the production of wine grapes and  
33 wine;

34 (d) Increase the knowledge of the qualities and value of  
35 Washington's wine grapes and wine; and

36 (e) Support and engage in programs or activities that benefit the  
37 production, handling, processing, marketing, and uses of wine grapes  
38 and wine;

1 (4) That this chapter is enacted in the exercise of the police  
2 powers of this state for the purpose of protecting the health, peace,  
3 safety, and general welfare of the people of this state; and

4 (5) That the production and marketing of wine grapes and wine is a  
5 highly regulated industry and that the provisions of this chapter and  
6 the rules adopted under it are only one aspect of the regulated  
7 industry. Other regulations and restraints applicable to the wine  
8 grape and wine industry include:

9 (a) Organic food products act under chapter 15.86 RCW;

10 (b) Horticultural pests and diseases under chapter 15.08 RCW;

11 (c) Horticultural plants and facilities--inspection and licensing  
12 under chapter 15.13 RCW;

13 (d) Planting stock under chapter 15.14 RCW;

14 (e) Washington pesticide control act under chapter 15.58 RCW;

15 (f) Insect pests and plant diseases under chapter 17.24 RCW;

16 (g) Wholesale distributors and suppliers of wine and malt beverages  
17 under chapter 19.126 RCW;

18 (h) Weights and measures under chapter 19.94 RCW;

19 (i) Title 66 RCW, alcoholic beverage control;

20 (j) Title 69 RCW, food, drugs, cosmetics, and poisons including  
21 provisions of 21 C.F.R. relating to the general manufacturing  
22 practices, food labeling, food standards, food additives, and pesticide  
23 tolerances;

24 (k) Chapter 69.07 RCW, Washington food processing act;

25 (l) 27 U.S.C., Secs. 201 through 211, 213 through 219a, and 122A;

26 (m) 27 C.F.R., Parts 1, 6, 9, 10, 12, 16, 240, 251, 252; and

27 (n) Rules under Titles 16 and 314 WAC, and rules adopted under  
28 chapter 15.88 RCW.

29 **Sec. 111.** RCW 15.88.050 and 1987 c 452 s 5 are each amended to  
30 read as follows:

31 The director shall appoint the members of the commission. In  
32 making such appointments of the voting members, the director shall take  
33 into consideration recommendations made by the growers' association and  
34 the wine institute as the persons recommended for appointment as  
35 members of the commission. In appointing persons to the commission,  
36 the director shall seek to ensure as nearly as possible a balanced  
37 representation on the commission which would reflect the composition of

1 the growers and wine producers throughout the state as to number of  
2 acres cultivated and amount of wine produced.

3 The appointment shall be carried out immediately subsequent to July  
4 1, 1987, and members so appointed as set forth in this chapter shall  
5 serve for the periods set forth for the original members of the  
6 commission under RCW 15.88.040.

7 In the event a position on the commission becomes vacant due to  
8 resignation, disqualification, death, or for any other reason, the  
9 unexpired term of the position shall immediately be filled by  
10 appointment by the director.

11 Each member or employee of the commission shall be reimbursed for  
12 actual travel expenses ((in accordance with)) incurred in carrying out  
13 the provisions of this chapter as defined by the commission in rule.  
14 Otherwise if not defined in rule, reimbursement for travel expenses  
15 shall be at the rates allowed by RCW 43.03.050 and 43.03.060.

16 NEW SECTION. Sec. 112. A new section is added to chapter 43.23  
17 RCW to read as follows:

18 The director may consult with each commodity commission established  
19 under state law in order to establish or maintain an integrated  
20 comprehensive regulatory scheme for each commodity and the agricultural  
21 industry in this state as a whole.

22 NEW SECTION. Sec. 113. The following acts or parts of acts are  
23 each repealed:

24 (1) RCW 16.67.020 (Purpose of chapter) and 1969 c 133 s 19;

25 (2) RCW 15.44.037 (Reimbursement of election costs) and 1965 ex.s.  
26 c 44 s 8;

27 (3) RCW 15.44.900 (Purpose of chapter) and 1961 c 11 s 15.44.900;  
28 and

29 (4) RCW 15.28.900 (Preamble) and 1961 c 11 s 15.28.900.

30 NEW SECTION. Sec. 114. This act takes effect July 1, 2002.

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