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**Agriculture & Natural  
Resources Committee**

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**HB 1361**

**Brief Description:** Increasing the powers of the state agricultural commodity commissions.

**Sponsors:** Representatives Linville, Schoesler, Grant and Holmquist.

**Brief Summary of Bill**

- Allows commodity commissions to request and audit producer records to determine whether assessments have been paid.
- Allows commodity commissions to acquire and own intellectual property and to collect royalties from commission-funded research.
- References statutes relating to management and investment of state funds in provisions authorizing investment of commodity commission funds.

**Hearing Date:** 2/7/03

**Staff:** Caroleen Dineen (786-7156).

**Background:**

A commodity commission may be established for a particular agricultural commodity. Some commodity commissions are created directly by statute. Some examples of commodities for which commissions have been created directly in statute are apple advertising, dairy products, and beef. A commodity commission also may be established according to the requirements of chapter 15.66 RCW, the Washington Agricultural Enabling Act (formerly the Washington Agricultural Enabling Act of 1955). Commodity commissions have been created in this manner for wheat, potato, fryers, barley, and other commodities.

Another entity created for a particular commodity is a commodity board. A commodity board is created according to chapter 15.65 RCW, also known as the Washington State Agricultural Enabling Act (formerly the Washington State Agricultural Enabling Act of 1961). Some examples of commodities for which boards have been created are hops, cranberries, asparagus, and turfgrass seed.

A commodity commission established according to chapter 15.66 RCW is created through the Department of Agriculture's issuance of a marketing order, which is adopted as a rule. Commodity commissions may be created in this manner to:

- plan and conduct advertising, sales promotion, and marketing programs;
- conduct research studies;
- improve standards and grades and provide labeling requirements;
- prevent unfair trade practices;
- provide marketing information and services;
- engage in cooperative efforts in domestic or foreign marketing; and
- provide information, communication, education, and training.

Statutory provisions specify procedural and other requirements for petitioning for a marketing order and for issuing, amending, and terminating a marketing order.

A commodity commission established according to Chapter 15.66 RCW has the powers and duties specified in the marketing order creating it. In addition to those powers and among other powers specified in statute a commodity commission may elect officers, adopt rules, administer and enforce the provisions of the marketing order, acquire property, borrow money, expend funds, enter into contracts, and engage in fund raising.

The state and its agencies are authorized to invest funds in various investment vehicles, including bonds, mutual funds, and money markets funds. State statutes specify requirements for investment and management of these state funds. The commodity commissions statutes authorize commodity commissions to invest in savings or time deposits in banks, trust companies, and mutual savings banks or according to other authority for investment of these funds.

### **Summary of Bill:**

Additional authority is granted to commodity commissions created under chapter 15.66 RCW, the Washington Agricultural Enabling Act (formerly Washington Agricultural Enabling Act of 1955). In addition to other powers specified in statute, a commodity commission created in this manner may:

- request and audit records of producers or handlers of the affected commodity to determine whether the appropriate assessment has been paid;
- acquire or own intellectual property rights, licenses, or patents related to the affected commodity; and
- collect royalties resulting from commission-funded research related to the affected commodity.

Provisions regarding marketing orders for commodity commissions are amended. Among other purposes, marketing orders may be made for commodity commissions to assist and cooperate with the Department of Agriculture or any other federal, state, or local agency in investigating and controlling exotic pests and diseases that could damage or affect trade of the affected commodity.

The provision authorizing commodity commissions to invest funds according to authority other than the commodity commission statutes is amended to reference statutes specifying requirements for management and investment of state funds.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** The bill takes effect ninety days after adjournment of session in which bill is passed.