

HOUSE BILL REPORT

HB 1625

As Reported by House Committee On:
Agriculture & Natural Resources

Title: An act relating to levying an assessment on certain agricultural plants.

Brief Description: Levying an assessment on certain agricultural plants.

Sponsors: Representatives Linville and Schoesler; by request of Department of Agriculture.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 2/14/03, 2/18/03 [DPS].

Brief Summary of Substitute Bill

- Allows the horticultural assessment on fruit trees and certain ornamentals to be increased beyond the fiscal growth factor for the fiscal year ending June 30, 2004, under certain circumstances.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Linville, Chair; Rockefeller, Vice Chair; Schoesler, Ranking Minority Member; Holmquist, Assistant Ranking Minority Member; Kristiansen, Assistant Ranking Minority Member; Chandler, Eickmeyer, Grant, Hunt, McDermott, Orcutt, Quall and Sump.

Staff: Kenneth Hirst (786-7105).

Background:

An annual assessment is levied on the sale price of all horticultural plants of the botanical genera for grapevines; quinces; hawthorns; apple and crab apple trees; almond, apricot, cherry, nectarine, peach, and plum trees; pears; and whitebeams and mountain ashes. The assessment is on the wholesale market value of those sales and, except for certain rootstock, is based on the first sale price of the nursery stock. The rate of assessment is determined by the Director of Agriculture (Director) by rule as being that needed to carry out grapevine and fruit tree certification and nursery improvement programs.

Initiative 601 was approved in the November 1993 general election. A provision of the initiative states that no fee may increase in any fiscal year by a percentage in excess of the fiscal growth factor for that fiscal year without prior legislative approval. The Forest Products Commission is exempted from this limitation as are referendum approved assessments of agricultural commodity commissions and boards. The fiscal growth factor for a fiscal year is the average of the sum of inflation and population change for each of the prior three fiscal years.

Summary of Substitute Bill:

The annual assessment that is levied on horticultural plants may, except for the assessment on grapevines, be increased by the Director in excess of the fiscal growth factor for the fiscal year ending June 30, 2004. However, the bill is null and void if any moneys that have been deposited in the Agricultural Local Fund are transferred, or are authorized to be transferred, to the General Fund by legislation enacted this year before July 1, 2003.

Substitute Bill Compared to Original Bill:

The null and void clause was added by the substitute.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void if certain transfers of funds to the General Fund take place during this fiscal year.

Testimony For: 1) The largest part of the current program is the voluntary inspection of plants to certify that they are virus free. 2) An advisory committee from the industry that pays these fees has recommended that they be increased. The fees have not been increased since 1971. Without the increase, the program will be insolvent in the next one to two years. 3) Under World Trade Organization agreements, the federal government must have a mandatory inspection program; the state's program will be essential to ensure that this state's growers have a source of disease-free stock and to meet the requirements of our trading partners.

Testimony Against: None.

Testified: Leslie Emerick and Tom Wessels, Washington State Department of Agriculture.

