

# HOUSE BILL REPORT

## HB 2366

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**As Reported by House Committee On:**  
Agriculture & Natural Resources

**Title:** An act relating to the from the heart of Washington program.

**Brief Description:** Promoting Washington state agriculture.

**Sponsors:** Representatives Linville, Schoesler, Campbell, McDonald, Delvin, Conway, Sullivan, Hankins, Moeller, McDermott, Kenney, Morrell and Hudgins; by request of Department of Agriculture.

**Brief History:**

**Committee Activity:**

Agriculture & Natural Resources: 1/23/04, 1/27/04 [DPS].

### Brief Summary of Substitute Bill

- Allows the Washington State Department of Agriculture (WSDA) to cooperate with others to establish a private, nonprofit corporation to carry out the purposes of the "Heart of Washington" program and establishes requirements for the corporation.
- Allows the WSDA to transfer certain assets, other than the logo, to the corporation and to provide certain support to it.
- Makes the corporation liable for its own debts and liabilities.
- Allows the WSDA to license the use of the logo.
- Allows the WSDA to receive gifts, grants, and endowments and to make expenditures from them for the purposes of the program.

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### HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 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 and Sump.

**Staff:** Kenneth Hirst (786-7105).

**Background:**

A "From the Heart of Washington" program was begun by the WSDA in June 2002. The purpose of the program and campaign is to increase demand for Washington agricultural products in state and to present an accurate picture of the value of agriculture as part of the state's economy and its key role in sustaining rural communities.

The program has been funded by a \$2.5 million, one-time federal grant to the WSDA. A 14-member advisory committee has been appointed to guide the program; it is chaired by the Director of Agriculture. The WSDA contracts with the Washington Fruit Commission to administer the program.

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**Summary of Substitute Bill:**

The WSDA may cooperate with other agencies and associations in the state to establish a private, nonprofit corporation under the Washington Nonprofit Corporation Act for carrying out a "From the Heart of Washington" program. The corporation: must qualify as a tax-exempt, nonprofit corporation under section 501(c) of the federal Internal Revenue Code; the majority of the members on its board of directors must be from the state's commodity commissions, nonprofit associations organized for the promotion of this state's agricultural products, and other agricultural industry groups; and must carry forward with the work of the current program. The WSDA and others may continue separately to promote Washington products under their existing authorities.

The WSDA may contract with the corporation to carry out the program; however, the corporation must aggressively seek to fund its continued operation from non-state funding sources. The corporation must report to the WSDA each January 1 on the amounts it has secured from both non-state and state funding sources, its operations, and its programs. The debts and other liabilities of the corporation are its own; they may be satisfied only from corporation's resources. The state is not liable for those debts or liabilities

To establish the corporation, the WSDA and the State Fruit Commission, as the WSDA's contractor, may take all necessary and proper steps, including: transferring any equipment, software, data base, other assets, or contracts for services to the corporation under certain conditions; assigning contracts and other duties and responsibilities to the corporation; and providing necessary support services under contract for up to two years. The WSDA may pay an annual membership fee to the corporation not to exceed the value of services received. The transfer authority does not include the authority to transfer the logo. The logo of the program is the property of the WSDA, which may license its use as it deems appropriate. The WSDA retains the right to cancel any license to use the logo.

The WSDA must designate one or more persons to serve in the capacity of a member of the board of directors of the corporation. The state is not liable for the actions of the corporation or its members or its employees.

The WSDA may: receive gifts, grants, or endowments from private or public sources, in trust or otherwise, for the use and benefit of the purposes of the program; and spend or contract with the corporation to spend such items or the income from them according to their terms.

**Substitute Bill Compared to Original Bill:**

The waiver of state liability is expanded in the substitute to also apply to the actions of the employees of the private, non-profit corporation.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** (1) The current "Heart of Washington" program is conducted through the Fruit Commission with a federal grant received by the WSDA. The WSDA intends to provide services and support to the successor corporation for the program during the first two years. The program has been very successful. (2) The program works to put a face on Washington agriculture; it educates the public not only about the state's agricultural products, but also about the people in agriculture.

**Testimony Against:** None.

**Persons Testifying:** (In support) Leslie Emerick, Washington State Department of Agriculture; Shannon Hitchcock, Washington Fruit Commission; and Jim Jesernig, Washington Potato and Onion Association and Pacific Coast Shellfish Growers Association.

**Persons Signed In To Testify But Not Testifying:** None.