

SENATE BILL REPORT

HB 1361

As Reported By Senate Committee On:
Agriculture, April 3, 2003

Title: An act relating to the state agricultural commodity commissions.

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

Sponsors: Representatives Linville, Schoesler, Grant and Holmquist.

Brief History:

Committee Activity: Agriculture: 3/27/03, 4/3/03 [DPA].

SENATE COMMITTEE ON AGRICULTURE

Majority Report: Do pass as amended.

Signed by Senators Swecker, Chair; Brandland, Vice Chair; Rasmussen and Sheahan.

Staff: Bob Lee (786-7404)

Background: There are a number of commodity commissions that have been formed under various state enabling laws.

Under various commodity commission enabling statutes, producers of an agricultural commodity may petition the Department of Agriculture to form a commodity commission. A number of functions are authorized to be performed by an activated commodity commission, including production research, providing market information, market promotion, resource conservation, and actions to prevent unfair trade practices. To fund the proposed activities of a commission requires an assessment on the commodity. Assessments are established on the commodity that fund the activities of the commission. There are approximately 24 commodity commissions in the state.

A referendum vote of affected producers is required to form or dissolve a commodity commission.

There is an ongoing issue throughout the nation and also in Washington State in regards to the configuration that agricultural commodity commission must have to meet various constitutional tests. Modifications are needed to meet requirements of recent court decisions.

Summary of Amended Bill: Added to functions that can be performed by commodity commissions formed under the 1955 act include assisting in the investigation and control of exotic pests and diseases that could damage or affect trade of the affected commodity.

Commodity commissions formed under the 1955 act may request and audit the records of producers and handlers of the affected commodity during normal business hours to determine whether the appropriate assessment has been paid. These commodity commissions may

acquire or own intellectual property rights, licenses, or patents and may collect royalties from commission-funded research related to the affected commodity.

Funds of a commodity commission not required for immediate expenditure may be invested as are other public funds.

The Director of the Department of Agriculture must appoint a voting representative to each commission board. Each commodity commission must develop and submit its plans and programs concerning promotion and market research projects to the director for review and approval. The director shall review each commodity commission's advertising or promotion program to ensure that no false claims are being made concerning the affected commodity. Costs incurred by the Department of Agriculture associated with the implementation of these provisions are paid for by each affected commission. The method of appointing members to various commissions' boards is altered, providing appointment of increased numbers by the director, and providing for advisory votes for board members by producers of that commodity.

Commissions included in the bill include those organized under the 1955 enabling act, the 1961 enabling act, the Dairy Products Commission, the Soft Tree Fruit Commission, and the Beef Commission.

Amended Bill Compared to Original Bill: Provisions are added that address appointment of members to commission boards, submission to and approval of commission programs by the Department of Agriculture and reimbursement of expenses incurred by the department.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill updates functions of commodity commissions. Recent court decisions establish requirements that commodity commission statutes must contain, and changes are needed to conform with these requirements.

Testimony Against: None.

Testified: Charlie Brown, WA State Potato Commission (pro).