

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2366

58th Legislature
2004 Regular Session

Passed by the House February 11, 2004
Yeas 96 Nays 0

Speaker of the House of Representatives

Passed by the Senate March 11, 2004
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2366** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2366

Passed Legislature - 2004 Regular Session

State of Washington 58th Legislature 2004 Regular Session

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Linville, Schoesler, Campbell, McDonald, Delvin, Conway, Sullivan, Hankins, Moeller, McDermott, Kenney, Morrell and Hudgins; by request of Department of Agriculture)

READ FIRST TIME 01/29/04.

1 AN ACT Relating to the from the heart of Washington program; adding
2 a new chapter to Title 15 RCW; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that the support of
5 Washington's agriculture industry and its family farms by the citizens
6 of the state of Washington is beneficial to the economy of the state.
7 The legislature also finds that Washington farmers produce a variety of
8 wholesome, quality products and are good stewards of the land.

9 The legislature also finds that the from the heart of Washington
10 program, developed by the Washington state department of agriculture
11 with one-time federal grant moneys, is a valuable tool to convey
12 important messages about Washington agriculture and to encourage
13 Washington citizens to buy Washington-grown and Washington-processed
14 food and agricultural products. With the exhaustion of the one-time
15 federal grant funding, the legislature finds that the program would
16 benefit from a new governance structure that will allow the necessary
17 operational flexibility to enable the program to expand and to
18 encourage private investment in the program, and that the continuance

1 of the program as a private, nonprofit corporation is the best method
2 to achieve these goals.

3 The legislature further finds that the continuation of the from the
4 heart of Washington program will provide both direct and indirect
5 economic benefits to the people of the state of Washington.

6 NEW SECTION. **Sec. 2.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires otherwise.

8 (1) "From the heart of Washington" or "program" means that program
9 created by the department to encourage Washington citizens to purchase
10 Washington food and agricultural products and to promote the value of
11 agriculture and family farms to Washington state.

12 (2) "Successor organization" means a private, nonprofit corporation
13 created specifically to assume responsibility for carrying out the from
14 the heart of Washington program that is now part of the department.
15 The private, nonprofit corporation must qualify as a tax-exempt,
16 nonprofit corporation under section 501(c) of the federal internal
17 revenue code; the majority of members on its board of directors must be
18 from Washington commodity commissions, nonprofit associations organized
19 for the promotion of Washington agricultural products, and other
20 agricultural industry groups; and the corporation must carry forward
21 with the work of the current program.

22 (3) "Department" means the Washington state department of
23 agriculture.

24 (4) "Director" means the director of the Washington state
25 department of agriculture.

26 (5) "Fiscal agent" means the Washington state fruit commission, as
27 a contractor of the department.

28 NEW SECTION. **Sec. 3.** (1) The department may cooperate with other
29 agencies, boards, commissions, and associations in the state of
30 Washington to establish a private, nonprofit corporation for the
31 purpose of carrying out the program. The nonprofit corporation must be
32 organized under chapter 24.03 RCW and has the powers granted under that
33 chapter. However, this chapter does not prohibit the department or
34 other agencies, boards, commissions, and associations from separately
35 continuing to promote Washington products under their existing
36 authorities.

1 (2) The department may contract with the successor organization to
2 carry out the program. The contract must require the successor
3 organization to aggressively seek to fund its continued operation from
4 nonstate funding sources.

5 (3) The successor organization must report to the department each
6 January 1st on the amounts it has secured from both nonstate and state
7 funding sources, its operations, and its programs.

8 (4) Debts and other liabilities of the successor organization are
9 successor organization debts and liabilities only and may be satisfied
10 only from the resources of the successor organization. The state of
11 Washington is not liable for the debts or liabilities of the successor
12 organization.

13 NEW SECTION. **Sec. 4.** In order to accomplish the establishment of
14 a successor organization, the department and its fiscal agent may take
15 all necessary and proper steps, including:

16 (1) Transferring any equipment, software, data base, other assets
17 except the logo of the program, or contracts for services to the
18 successor organization under appropriate terms and conditions,
19 including reasonable compensation deemed appropriate by the department.
20 The department shall retain the right to repossess any property
21 transferred to the successor organization in the event that the
22 successor organization dissolves, becomes bankrupt, insolvent, or is
23 otherwise unable to carry out the program, or if the successor
24 organization fails to comply with any contract with the department. In
25 the event that the department exercises its right to repossess under
26 this section, any property returned to the department becomes the
27 property of the state and is administered by the department;

28 (2) Unless otherwise provided by agreement, assigning any contracts
29 and other duties and responsibilities to the successor organization
30 related to the program; and

31 (3) Providing necessary support services to the successor
32 organization under contract for up to a two-year period after the
33 effective date of a contract between a successor organization and the
34 department for the delivery of program services. The successor
35 organization shall provide full reimbursement for all costs of services
36 contracted for under this subsection.

1 NEW SECTION. **Sec. 5.** (1) The department shall designate one or
2 more persons to serve in the capacity of a member of the board of
3 directors of the successor organization. The state is not liable under
4 any circumstances for the acts of the successor organization, any
5 member of its board of directors, or its employees.

6 (2) The department may pay an annual membership fee to the
7 successor organization not to exceed the value of services received.

8 NEW SECTION. **Sec. 6.** The logo of the program is the property of
9 the department. The department may license the use of the logo to the
10 successor organization and others, as it deems appropriate. The
11 department retains the right to cancel any license to use the logo.

12 NEW SECTION. **Sec. 7.** The department may receive gifts, grants, or
13 endowments from private or public sources that are made from time to
14 time, in trust or otherwise, for the use and benefit of the purposes of
15 the program. The department may spend or contract with the successor
16 organization to spend the gifts, grants, or endowments or income from
17 the private or public sources according to their terms.

18
19 NEW SECTION. **Sec. 8.** If any provision of this act or its
20 application to any person or circumstance is held invalid, the
21 remainder of the act or the application of the provision to other
22 persons or circumstances is not affected.

23 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act constitute
24 a new chapter in Title 15 RCW.

25 NEW SECTION. **Sec. 10.** This act is necessary for the immediate
26 preservation of the public peace, health, or safety, or support of the
27 state government and its existing public institutions, and takes effect
28 immediately.

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