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**Agriculture & Natural Resources  
Committee**

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**HB 2556**

**Brief Description:** Regarding financial security requirements under chapter 22.09 RCW.

**Sponsors:** Representatives Fagan and Chandler.

**Brief Summary of Bill**

- Provides an exemption from the financial security deposits requirement for warehouses that only receive grain from licensed grain dealers.

**Hearing Date:** 1/21/10

**Staff:** Leslie Ryan-Connelly (786-7166).

**Background:**

A warehouse or grain dealer must provide a financial security deposit before they receive a license to operate from the Department of Agriculture. A grain dealer that has 1) \$100,000 or less in business each year, and 2) makes all his or her grain payments in cash, is exempt from the deposit requirement.

The financial security deposit must be between \$50,000 and \$750,000. The deposit amount for a warehouse is computed by bushel. The deposit amount for a grain dealer is computed based upon a percent of sales from the previous year.

Warehouses are defined as elevators, mills, terminals, or warehouses used to store agricultural products received from the public. Fruit, vegetable, and cold storage warehouses are excluded from the definition. Warehouses that receive less than 300,000 tons of agricultural commodities are also excluded.

**Summary of Bill:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

If a warehouse that is required to obtain a license from the Department of Agriculture only receives grain from licensed grain dealers who meet the financial security deposit as a grain dealer, than the warehouse receiving grain is exempt from providing a financial security deposit.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.