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SENATE BILL 5004

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State of Washington

61st Legislature

2009 Regular Session

By Senators Jacobsen, Swecker, Ranker, and Roach

Read first time 01/12/09. Referred to Committee on Agriculture & Rural Economic Development.

1 AN ACT Relating to creating a mobile custom farm slaughtering unit  
2 loan program; and adding a new chapter to Title 15 RCW.

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

4 NEW SECTION. **Sec. 1.** FINDINGS. The legislature finds that:

5 (1) The loss of livestock slaughter facilities has significantly  
6 impeded local meat production in many regions of the state;

7 (2) Mobile custom farm slaughtering units, capable of visiting  
8 farms and ranches to slaughter animals humanely and inexpensively, can  
9 assist in reviving local meat production; and

10 (3) Establishing a loan program that enables local governments to  
11 purchase mobile custom farm slaughtering units for lease to livestock  
12 producers, conditioned upon producers' donation of a portion of meat  
13 processed by the units to local food banks, will both support  
14 Washington's disadvantaged citizens and reinvigorate rural economies.

15 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
16 section apply throughout this chapter unless the context clearly  
17 requires otherwise.

1 (1) "Applicant" means any political subdivision of the state,  
2 including but not limited to conservation districts, counties, cities,  
3 towns, special purpose districts, and other municipal corporations or  
4 quasi-municipal corporations.

5 (2) "Application" means a proposal submitted by an applicant for a  
6 loan to purchase a mobile custom farm slaughtering unit for lease to  
7 livestock producers.

8 (3) "Department" means the department of agriculture.

9 (4) "Director" means the director of the department of agriculture.

10 (5) "Mobile custom farm slaughtering unit" or "unit" means a  
11 transportable structure used for livestock slaughtering operations and  
12 consisting of a completely covered van body, which may exclude a  
13 driver's cab and a hoist, a hoist of two thousand pound capacity, a  
14 sterilizing tank large enough to allow complete sanitizing of tools  
15 used in slaughtering operations, and a water tank built into the  
16 vehicle.

17 NEW SECTION. **Sec. 3.** PROGRAM CREATED--LOAN AGREEMENTS. (1) The  
18 mobile custom farm slaughtering unit loan program is established within  
19 the department. The director may establish policies and procedures  
20 necessary for processing, reviewing, and approving applications for  
21 loans from the mobile custom farm slaughtering unit loan account  
22 created pursuant to section 6 of this act.

23 (2) The director may approve an application only if a unit funded  
24 by a loan will produce long-term economic benefits to a region, county,  
25 or community in the state and will not require continuing state  
26 support.

27 (3) The director shall enter into agreements with approved  
28 applicants to fix loan terms and rates. A loan agreement must:

29 (a) Provide for adequate reporting or disclosure of economic  
30 benefit data to the director and authorize the director to conduct an  
31 annual or other periodic audit of the data;

32 (b) Require that at least five percent of the meat annually  
33 processed by a funded unit be donated to food banks within a county or  
34 counties served by the unit; and

35 (c) Grant the state an option to purchase a portion of the meat  
36 processed by a funded unit.

1 (4) The director may defer loan repayments for up to twenty-four  
2 months or until a loan recipient begins to receive lease revenue,  
3 whichever is sooner.

4 NEW SECTION. **Sec. 4.** SUSPENSION OR CANCELLATION OF LOAN  
5 AGREEMENT--REPAYMENT. (1) Upon written notice to a loan recipient, the  
6 director may suspend or cancel a loan agreement if the recipient has:

7 (a) Made misrepresentations in any information furnished to the  
8 director concerning the application or loan agreement; or

9 (b) Failed to make satisfactory and reasonable progress to complete  
10 the terms of the loan agreement.

11 (2) In the event that any loan funding has been awarded to the  
12 recipient at the time of the suspension or cancellation of the loan  
13 agreement, the director may require that the full amount of the loan,  
14 or a portion thereof, be repaid within a period specified by the  
15 director.

16 NEW SECTION. **Sec. 5.** LOAN PRIORITY. If loan funding requested in  
17 applications meeting the criteria specified in section 3 of this act  
18 exceeds the amount available in the mobile custom farm slaughtering  
19 unit loan account created in section 6 of this act, applications must  
20 be prioritized based upon projected long-term economic benefits.

21 NEW SECTION. **Sec. 6.** ACCOUNT CREATED. The mobile custom farm  
22 slaughtering unit loan account is created in the state treasury. All  
23 receipts from appropriations made to the account and any loan payments  
24 of principal and interest derived from loans made under this chapter  
25 must be deposited into the account. Moneys in the account may be spent  
26 only after appropriation. Expenditures from the account may be used  
27 only for loans consistent with this chapter.

28 NEW SECTION. **Sec. 7.** REPORT TO LEGISLATURE. The director shall  
29 report to the legislature and the governor on the status of the program  
30 created under this chapter on or before December 1, 2010, and annually  
31 thereafter. The report must include information on applications that  
32 have been funded and the status of funded units.

1        NEW SECTION.   **Sec. 8.**   CAPTIONS NOT LAW.   Captions used in this act  
2   are not any part of the law.

3        NEW SECTION.   **Sec. 9.**   Sections 1 through 8 and 10 of this act  
4   constitute a new chapter in Title 15 RCW.

5        NEW SECTION.   **Sec. 10.**   If any provision of this act or its  
6   application to any person or circumstance is held invalid, the  
7   remainder of the act or the application of the provision to other  
8   persons or circumstances is not affected.

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