

# SENATE BILL REPORT

## SB 6208

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As Reported by Senate Committee On:  
Agriculture, Water & Rural Economic Development, January 24, 2012

**Title:** An act relating to license fees under the warehouse act.

**Brief Description:** Regarding license fees under the warehouse act.

**Sponsors:** Senators Schoesler and Hatfield.

**Brief History:**

**Committee Activity:** Agriculture, Water & Rural Economic Development: 1/23/12, 1/24/12 [DPS].

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### SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 6208 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hatfield, Chair; Shin, Vice Chair; Honeyford, Ranking Minority Member; Becker, Delvin, Haugen, Hobbs and Schoesler.

**Staff:** Bob Lee (786-7404)

**Background:** The Department of Agriculture is charged with administering the Grain Warehouse Act. Under that act, the department supervises the receiving, storage, weighing and inspection of grain. It also is authorized to conduct audits of warehouses. Warehouses that store specified agricultural commodities are required to be licensed and bonded. Funding for administering the program is derived from the fees paid by licensees which are placed in a separate non-appropriated account.

**Summary of Bill (Recommended Substitute):** The fees are increased for the following:

- terminal warehouses - the current fee of \$1,350 is increased to \$1,900;
- sub-terminal warehouses - the current fee of \$1,050 is increased to \$1,500;
- grain dealers - the current fee of \$750 is increased to \$1,750; and
- exempt grain dealers - the current fee of \$300 is increased to \$500; and
- country warehouses - the current \$500 fee is increased to \$700.

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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.*

**EFFECT OF CHANGES MADE BY AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT COMMITTEE (Recommended Substitute):** The current \$500 fee for country warehouses was increased to \$700. The remaining proposed changes in fees are retained.

**Appropriation:** None.

**Fiscal Note:** Available.

[OFM requested 10-year cost projection pursuant to I-960.]

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: Due to consolidations of warehouses, funds have declined. Fees haven't been raised for at least a decade. Additional funding is needed to train and employ grain warehouse auditors. There is a need to generate a bit more from fees than the current bill and suggest that the fees for country warehouses also be increased. The industry understands the need to provide sufficient revenue to adequately administer the program.

**Persons Testifying:** PRO: Dan Coyne, WA Assn. of Farmer Cooperatives; Mark Streuli, Department of Agriculture.