

SHB 1558 - S COMM AMD

By Committee on Agriculture, Water & Rural Economic Development

NOT CONSIDERED

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that in 2008 the
4 legislature passed Second Substitute Senate Bill No. 6468, which
5 provided temporary tax relief for honey beekeepers. The legislature
6 further finds that the 2008 legislation included the following intent
7 language: "The legislature finds that recent occurrences of colony
8 collapse disorder and the resulting loss of bee hives will have an
9 economic impact on the state's agricultural sector. The legislature
10 intends to provide temporary business and occupation tax relief for
11 Washington's apiarists." The legislature further finds that in 2013,
12 colony collapse disorder is still a significant problem for the apiary
13 industry.

14 (2) Because of the continuing problems associated with colony
15 collapse disorder, it is the legislature's intent to extend the tax
16 relief provided in the 2008 legislation, subject to a rigorous and
17 periodic review of the health of honey bee colonies in Washington to
18 determine whether colony collapse disorder is still a significant
19 problem in the apiary industry. It is the legislature's intent that
20 the tax relief provided in this act will not be extended when data
21 indicates that honey bee colony survivorship has improved, as provided
22 in the colony collapse disorder progress report, published annually by
23 the United States department of agriculture, and data provided by the
24 Washington state department of agriculture to the joint legislative
25 audit and review committee.

26 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
27 to read as follows:

28 (1) The tax levied by RCW 82.08.020 does not apply to sales of feed

1 to an eligible apiarist for use in the raising of a bee colony used to
2 make honey bee products.

3 (2) This exemption is available only if the buyer provides the
4 seller with an exemption certificate in a form and manner prescribed by
5 the department.

6 (3) The definitions in RCW 82.04.629 apply to this section.

7 (4) This section expires July 1, 2016.

8 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
9 to read as follows:

10 (1) The provisions of this chapter do not apply with respect to the
11 use of feed to an eligible apiarist for use in the raising of a bee
12 colony used to make honey bee products.

13 (2) The definitions in RCW 82.04.629 apply to this section.

14 (3) This section expires July 1, 2016.

15 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.136 RCW
16 to read as follows:

17 (1) As part of the joint legislative audit and review committee's
18 tax preference review under this chapter for the tax preferences
19 contained within this act, the joint legislative audit and review
20 committee must also evaluate whether Washington state taxes are a
21 disproportionately large percentage of the commercial beekeeper's
22 operational or capital costs, including an analysis of the impact of
23 Washington state taxes on similar sized businesses.

24 (2) This section expires July 1, 2016.

25 NEW SECTION. **Sec. 5.** (1) The department of agriculture shall
26 convene a honey bee work group to address challenges facing the honey
27 bee industry and to develop a report outlining solutions that bolster
28 the use of Washington honey bee colonies used to pollinate tree fruits,
29 berries, and seeds. The work group must include the following members:
30 Two members from the Washington state beekeepers association; one
31 apiarist as defined in RCW 15.60.005 with no less than one thousand
32 hives; one apiarist as defined in RCW 15.60.005 with no more than
33 twenty-five hives; one member from the Washington State University
34 apiary lab; one member from the Washington state department of

1 agriculture; one member from the tree fruit industry; and one member
2 from the seed industry.

3 (2) The work group may include or seek input from other agencies,
4 organizations, or stakeholders. By December 31, 2014, and in
5 compliance with RCW 43.01.036, the department must submit the work
6 group's report to the legislature that includes the following: (a)
7 Proposed changes to the industry's tax structure to increase
8 competitiveness with out-of-state beekeepers for pollination contracts;
9 (b) providing analytics and metrics to measure the value of the
10 proposed tax structure changes; (c) proposed additional resources
11 needed to continue applied and basic research to support commercial
12 beekeepers in the state and to recover colony losses; (d) identifying
13 colony levels needed to meet the pollination demands of the Washington
14 agricultural industry; (e) identifying other policy changes that would
15 increase the competitiveness of Washington beekeepers; (f) other
16 industry needs that would increase the market share of pollination
17 contracts awarded to Washington beekeepers; and (g) metrics needed to
18 provide accountability for state resources invested in the honey bee
19 industry.

20 (3) This section expires July 1, 2016.

21 **Sec. 6.** RCW 82.04.629 and 2008 c 314 s 2 are each amended to read
22 as follows:

23 (1) This chapter does not apply to amounts derived from the
24 wholesale sale of honey bee products by an eligible apiarist who owns
25 or keeps bee colonies and who does not qualify for an exemption under
26 RCW 82.04.330 in respect to such sales.

27 (2) The exemption provided in subsection (1) of this section does
28 not apply to any person selling such products at retail or to any
29 person selling manufactured substances or articles.

30 (3) The following definitions in this subsection apply ~~((to))~~
31 throughout this section unless the context clearly requires otherwise.

32 (a) "Bee colony" means a natural group of honey bees containing
33 seven thousand or more workers and one or more queens, housed in a man-
34 made hive with movable frames, and operated as a beekeeping unit.

35 (b) "Eligible apiarist" means a person who owns or keeps one or
36 more bee colonies and who grows, raises, or produces honey bee products
37 for sale at wholesale and is registered under RCW 15.60.021.

1 (c) "Honey bee products" means queen honey bees, packaged honey
2 bees, honey, pollen, bees wax, propolis, or other substances obtained
3 from honey bees. "Honey bee products" does not include manufactured
4 substances or articles.

5 (4) This section expires July 1, 2016.

6 **Sec. 7.** RCW 82.04.630 and 2008 c 314 s 3 are each amended to read
7 as follows:

8 (1) This chapter does not apply to amounts received by an eligible
9 apiarist, as defined in RCW 82.04.629, for providing bee pollination
10 services to a farmer using a bee colony owned or kept by the person
11 providing the pollination services.

12 (2) The definitions in RCW 82.04.213 apply to this section.

13 (3) This section expires July 1, 2016.

14 **Sec. 8.** RCW 82.08.0204 and 2008 c 314 s 4 are each amended to read
15 as follows:

16 (1) The tax levied by RCW 82.08.020 does not apply to the sale of
17 honey bees to an eligible apiarist, as defined in RCW 82.04.629. This
18 exemption is available only if the buyer provides the seller with an
19 exemption certificate in a form and manner prescribed by the
20 department.

21 (2) This section expires July 1, 2016.

22 **Sec. 9.** RCW 82.12.0204 and 2008 c 314 s 5 are each amended to read
23 as follows:

24 (1) The provisions of this chapter do not apply in respect to the
25 use of honey bees by an eligible apiarist, as defined in RCW 82.04.629.
26 This exemption is available only if the buyer provides the seller with
27 an exemption certificate in a form and manner prescribed by the
28 department.

29 (2) This section expires July 1, 2016.

30 NEW SECTION. **Sec. 10.** 2008 c 314 s 7 (uncodified) is repealed.

31 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
32 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 July 1, 2013."

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3 On page 1, line 1 of the title, after "beekeepers;" strike the
4 remainder of the title and insert "amending RCW 82.04.629, 82.04.630,
5 82.08.0204, and 82.12.0204; adding a new section to chapter 82.08 RCW;
6 adding a new section to chapter 82.12 RCW; adding a new section to
7 chapter 43.136 RCW; creating new sections; repealing 2008 c 314 s 7
8 (uncodified); providing an effective date; providing expiration dates;
9 and declaring an emergency."

EFFECT: The following changes were made to section 5:

Extends the deadline for submitting the report from December 31, 2013, to December 31, 2014, allowing additional time for the honey bee work group to be formed and produce the required report to the Legislature.

Sets an expiration date on the honey bee work group of July 1, 2016, consistent with other expiration dates in the bill.

Clarifies that the Department of Agriculture has the responsibility for convening the work group and submitting the work group's report to the Legislature.

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