
HOUSE BILL 2748

State of Washington

63rd Legislature

2014 Regular Session

By Representative Hudgins

Read first time 01/30/14. Referred to Committee on Appropriations Subcommittee on General Government & Information Technology.

1 AN ACT Relating to fees assessed by the department of agriculture;
2 amending RCW 15.36.051, 15.36.081, 15.36.491, 15.36.525, 15.36.551, and
3 69.07.040; adding a new section to chapter 15.36 RCW; creating a new
4 section; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that section
7 309(4), chapter 4, Laws of 2013 2nd sp. sess. directed the department
8 of agriculture to convene and facilitate a work group with appropriate
9 stakeholders to review fees supporting programs within the department
10 that are also supported with the state general fund.

11 (2) The legislature further finds that with the help of a
12 consulting firm, the department of agriculture identified fees in the
13 food safety and animal health programs that met the budget proviso
14 criteria. The department then formed a work group with representatives
15 from dairy, food processing, and other relevant professional
16 associations.

17 (3) The legislature further finds that the work group's final
18 report recommends fee increases for fees that do not completely cover
19 the costs of services provided and that will make programs within the

1 department of agriculture less reliant on the state general fund.
2 Therefore, the legislature intends to implement the recommendations of
3 the work group's report.

4 **Sec. 2.** RCW 15.36.051 and 2005 c 414 s 1 are each amended to read
5 as follows:

6 (1) A milk processing plant must obtain an annual milk processing
7 plant license from the department, which shall expire on June 30th of
8 each year. A milk processing plant may choose to process ~~((+1))~~: (a)
9 Grade A milk and milk products~~((τ))~~; or ~~((+2))~~ (b) other milk products
10 that are not classified grade A.

11 (2) Only one license may be required to process milk; however, milk
12 processing plants must obtain the necessary endorsements from the
13 department in order to process products as defined for each type of
14 milk or milk product processing. Application for a license shall be on
15 a form prescribed by the director and accompanied by a ~~((fifty-five))~~
16 two hundred fifty dollar annual license fee. The applicant shall
17 include on the application the full name of the applicant for the
18 license and the location of the milk processing plant he or she intends
19 to operate and any other necessary information. Upon the approval of
20 the application by the director and compliance with the provisions of
21 this chapter, including the applicable rules adopted under this chapter
22 by the department, the applicant shall be issued a license or a renewal
23 of a license.

24 (3) Licenses shall be issued to cover only those products,
25 processes, and operations specified in the license application and
26 approved for licensing. If a license holder wishes to engage in
27 processing a type of milk product that is different than the type
28 specified on the application supporting the licensee's existing license
29 and processing that type of food product would require a major addition
30 to or modification of the licensee's processing facilities, the
31 licensee shall submit an amendment to the current license application.
32 In such a case, the licensee may engage in processing the new type of
33 milk product only after the amendment has been approved by the
34 department.

35 (4) A licensee under this section shall not be required to obtain
36 a food processing plant license under chapter 69.07 RCW to process milk
37 or milk products.

1 (5) The director shall waive the fee for a food processing license
2 under chapter 69.07 RCW for persons who are also licensed as a milk
3 processing plant.

4 **Sec. 3.** RCW 15.36.081 and 1999 c 291 s 5 are each amended to read
5 as follows:

6 (1) A dairy technician must obtain a dairy technician's license to
7 conduct operations under this chapter. Such license shall be limited
8 to those functions which the licensee has been found qualified to
9 perform. Before issuing the license the director shall assess the
10 applicant's qualifications and may test the applicant for the functions
11 for which application has been made.

12 (2) Application for a license as a dairy technician shall be made
13 upon forms provided by the director, and shall be filed with the
14 department. The director may issue a temporary license to the
15 applicant for such period as may be prescribed and stated in the
16 license, not to exceed sixty days, but the license may not be renewed
17 to extend the period beyond sixty days.

18 (3) The initial application and renewal for a dairy technician's
19 license must be accompanied by a license fee of (~~ten dollars. The fee~~
20 ~~for renewal of the license is five~~) twenty-five dollars. All dairy
21 technicians' licenses shall expire on December 31~~st~~ of odd-numbered
22 years.

23 (4) The initial application for any endorsement beyond a dairy
24 technician's license must be accompanied by an endorsement fee of
25 twenty-five dollars.

26 **Sec. 4.** RCW 15.36.491 and 2005 c 414 s 4 are each amended to read
27 as follows:

28 All moneys received for licenses under this chapter shall be
29 deposited (~~in the general fund, except that all moneys received for~~
30 ~~annual milk processing plant licenses under RCW 15.36.051 shall be~~
31 ~~deposited~~) in the agricultural local fund established under RCW
32 43.23.230.

33 **Sec. 5.** RCW 15.36.525 and 1999 c 291 s 25 are each amended to read
34 as follows:

35 The department may issue sanitary certificates to milk processing

1 plants under this chapter subject to such requirements as it may
2 establish by rule. The fee for issuance is (~~fifty~~) seventy-five
3 dollars per certificate. Fees collected under this section shall be
4 deposited in the agricultural local fund.

5 **Sec. 6.** RCW 15.36.551 and 2010 c 17 s 1 are each amended to read
6 as follows:

7 (1) There is levied on all milk processed in this state an
8 assessment not to exceed fifty-four one-hundredths of one cent per
9 hundredweight. The director shall determine, by rule, an assessment,
10 that with contribution from the general fund, will support an
11 inspection program to maintain compliance with the provisions of the
12 pasteurized milk ordinance of the national conference on interstate
13 milk shipment. The director shall also determine, by rule, a minimum
14 assessment amount to be paid by milk processing plants regardless of
15 size.

16 (2) All assessments under this section shall be levied on the
17 operator of the first milk processing plant receiving the milk for
18 processing. This (~~shall~~) includes milk processing plants that
19 produce their own milk for processing and milk processing plants that
20 receive milk from other sources.

21 (3) Milk processing plants whose monthly assessment for receipt of
22 milk totals less than twenty dollars in any given month (~~are exempted~~
23 ~~from paying this assessment for that month~~) shall pay the value of the
24 assessment or the minimum assessment, whichever is higher.

25 (4) All moneys collected under this section shall be paid to the
26 director by the twentieth day of the succeeding month for the previous
27 month's assessments. The director shall deposit the funds into the
28 dairy inspection account hereby created within the agricultural local
29 fund established in RCW 43.23.230. (~~The funds shall~~) All funds
30 collected under this section may only be used (~~only~~) to provide
31 inspection services to the dairy industry.

32 (5) If the operator of a milk processing plant fails to remit any
33 assessments, that sum shall be a lien on any property owned by (~~him or~~
34 ~~her~~) the operator, and (~~shall~~) must be reported by the director and
35 collected in the manner and with the same priority over other creditors
36 as prescribed for the collection of delinquent taxes under chapters
37 84.60 and 84.64 RCW.

1 (6) This section expires June 30, (~~(2015)~~) 2020.

2 NEW SECTION. Sec. 7. A new section is added to chapter 15.36 RCW
3 to read as follows:

4 The department may, upon inspection, assess an inspection fee on
5 any manufacturing facility that is required to be inspected under the
6 PMO and does not satisfy the definition of "milk processing plant" as
7 defined in this chapter, "food processing plant" as defined in RCW
8 69.07.010, or "food storage warehouse" as defined in RCW 69.10.005.

9 **Sec. 8.** RCW 69.07.040 and 1995 c 374 s 21 are each amended to read
10 as follows:

11 (1) It (~~shall be~~) is unlawful for any person to operate a food
12 processing plant or process foods in the state without first having
13 obtained an annual license from the department, which shall expire on
14 a date set by rule by the director. License fees shall be prorated
15 where necessary to accommodate staggering of expiration dates.
16 Application for a license shall be on a form prescribed by the director
17 and accompanied by the license fee. The license fee is determined by
18 computing the gross annual sales for the accounting year immediately
19 preceding the license year. If the license is for a new operator, the
20 license fee shall be based on an estimated gross annual sales for the
21 initial license period.

If gross annual sales are:	The license fee is:
\$0 to \$50,000	\$(55.00) <u>92.00</u>
\$50,001 to \$500,000	\$(110.00) <u>147.00</u>
\$500,001 to \$1,000,000	\$(220.00) <u>262.00</u>
\$1,000,001 to \$5,000,000	\$(385.00) <u>427.00</u>
\$5,000,001 to \$10,000,000	\$(550.00) <u>585.00</u>
Greater than \$10,000,000	\$(825.00) <u>862.00</u>

29 (~~Such application shall~~) (2) Applications under this section must
30 include:

31 (a) The full name of the applicant for the license and the location
32 of the food processing plant he or she intends to operate(~~(.---If~~
33 ~~such))~~, and if the applicant is an individual, receiver, trustee, firm,
34 partnership, association, or corporation, the full name of each member
35 of the firm or partnership, or names of the officers of the association

1 or corporation (~~shall be given on the application. Such application~~
2 ~~shall further state~~);

3 (b) The principal business address of the applicant in the state
4 and elsewhere and the name of a person domiciled in this state
5 authorized to receive and accept service of summons of legal notices of
6 all kinds for the applicant(~~. The application shall also specify~~);
7 and

8 (c) The type of food to be processed and the method or nature of
9 processing operation or preservation of that food and any other
10 necessary information.

11 (3) Upon the approval of the application by the director and
12 compliance with the provisions of this chapter, including the
13 applicable regulations adopted (~~hereunder~~) by the department, the
14 applicant shall be issued a license or renewal (~~thereof~~).

15 (4) Licenses shall be issued to cover only those products,
16 processes, and operations specified in the license application and
17 approved for licensing. Wherever a license holder wishes to engage in
18 processing a type of food product that is different than the type
19 specified on the application supporting the licensee's existing license
20 and processing that type of food product would require a major addition
21 to or modification of the licensee's processing facilities or has a
22 high potential for harm, the licensee (~~shall~~) must submit an
23 amendment to the current license application. In such a case, the
24 licensee may engage in processing the new type of food product only
25 after the amendment has been approved by the department.

26 (5) If upon investigation by the director, it is determined that a
27 person is processing food for retail sale and is not under permit,
28 license, or inspection by a local health authority, then that person
29 may be considered a food processor and subject to the provisions of
30 this chapter.

31 (6) The director may waive the licensure requirements of this
32 chapter for a person's operations at a facility if the person has
33 obtained a milk processing plant license under chapter 15.36 RCW to
34 conduct the same or a similar operation at the facility.

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