

# HOUSE BILL REPORT

## ESHB 2128

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### As Passed Legislature

**Title:** An act relating to fees assessed by the department of agriculture.

**Brief Description:** Concerning fees assessed by the department of agriculture.

**Sponsors:** House Committee on General Government & Information Technology (originally sponsored by Representative Hudgins; by request of Department of Agriculture).

#### **Brief History:**

##### **Committee Activity:**

General Government & Information Technology: 2/17/15, 2/23/15 [DPS].

##### **Floor Activity:**

Passed House: 6/29/15, 63-35.

Passed Senate: 6/30/15, 35-8.

Passed Legislature.

#### **Brief Summary of Engrossed Substitute Bill**

- Increases, extends, or creates a number of Washington State Department of Agriculture fees related to dairy processing and food processing.
- Redirects dairy-related license fee revenue from the State General Fund to the agricultural local fund.

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#### **HOUSE COMMITTEE ON GENERAL GOVERNMENT & INFORMATION TECHNOLOGY**

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives Hudgins, Chair; Senn, Vice Chair; Morris and Takko.

**Minority Report:** Do not pass. Signed by 3 members: Representatives MacEwen, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; McCabe.

**Staff:** Dan Jones (786-7118).

#### **Background:**

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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.*

The Washington State Department of Agriculture (WSDA) Food Safety Program helps regulate the safety of Washington's food supply by inspecting food processing and storage facilities and their practices, managing several food processing licenses, providing technical assistance, and investigating consumer complaints and food-related emergencies.

The WSDA collects approximately 150 different fees that support WSDA activities, including the Food Safety Program. In a budget proviso in the 2013-15 State Omnibus Appropriation Act, the Legislature directed the WSDA to convene a work group with appropriate stakeholders to review fees supporting WSDA programs that also receive State General Fund support. The resulting work group released a report in November 2013 that made a number of fee-specific recommendations, all of them in the Food Safety Program. This bill is based on the recommendations of the WSDA Fee Work Group report.

### **Summary of Engrossed Substitute Bill:**

The following WSDA fees are amended:

- The milk processing plant license fee is raised from \$55 to \$250 per year.
- The dairy technician's initial license fee is raised from \$10 to \$25, and the renewal fee is raised from \$5 to \$25 each odd-numbered year.
- The sanitary certificate fees for milk processing plants and food processors are raised from \$50 to \$75 per certificate.
- The range for food processing plant license fees, which are based on gross annual sales, is raised from a minimum of \$55 and a maximum of \$825 per year to a minimum of \$92 and a maximum of \$862 per year.
- The food storage warehouse fee is raised from \$50 to \$200 per year.
- The expiration of the dairy inspection assessment is extended from 2015 to 2020.

The following WSDA fees are created:

- The fee for any endorsement, in addition to a dairy technician's license, is \$25.
- An inspection fee may be assessed by the WSDA for manufacturing facilities that must be inspected under the Pasteurized Milk Ordinance (PMO) but do not satisfy the definitions of "milk processing plant," "food processing plant," or "food storage warehouse" under current law.

Revenue from certain dairy-related license fees (RCW 15.36) is redirected from the State General Fund to the agricultural local fund.

**Appropriation:** None.

**Fiscal Note:** Available.

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

### **Staff Summary of Public Testimony:**

(In support) The fees in this bill came out of a collaborative effort that brought together WSDA licensees, stakeholders, and agency staff to do a full review of fees charged by the

WSDA Food Safety Program and provide recommendations to the Legislature. A similar bill passed the House last year, but not the Senate; however, stakeholder agreement has held together, resulting in this agency request legislation. The WSDA Fee Work Group determined that an increase in fees was warranted, and that many fees had not been addressed in decades. Inspecting a milk plant requires significant time from the agency, and the fees don't cover the inspections and technical assistance required. The Governor's budget proposal for a corresponding reduction in State General Fund support for the WSDA would not impact the level of work the program completes.

(Opposed) None.

**Persons Testifying:** Representative Hudgins, prime sponsor; Kirk Robison, Department of Agriculture; and Dan Coyne, Northwest Food Processors Association and Northwest Dairy Association/Darigold.

**Persons Signed In To Testify But Not Testifying:** None.