

HOUSE BILL REPORT

HB 2412

As Reported by House Committee On:
Agriculture & Natural Resources

Title: An act relating to the apple commission.

Brief Description: Concerning the apple commission.

Sponsors: Representatives Blake, Chandler, Buys and Muri; by request of Washington Apple Commission.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/19/16, 1/26/16 [DPS].

Brief Summary of Substitute Bill

- Changes the procedure for nominating candidates for unexpired terms on the Washington Apple Commission.
- Retains the current assessment for apples grown in Washington and packed as Washington apples, and makes changes to the method of determining such assessments.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Blake, Chair; Walkinshaw, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chandler, Hurst, Kretz, Lytton, Orcutt, Pettigrew, Schmick, Stanford and Van De Wege.

Staff: Rebecca Lewis (786-7339).

Background:

Washington Apple Commission.

The Washington Apple Commission (Commission) is one of several commodity commissions in the state. The Commission conducts advertising promotion, education, and market development for Washington's fresh apple crop.

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.

Commission Membership.

The Commission is governed by a 14-member board of directors (board). Nine members of the board are apple producers in specified districts and four are apple dealers in specified districts. The Director of the Department of Agriculture (Director) is also a member of the board, and approves the budget of the Commission. The Director has the authority to appoint members of the Commission. All members except the Director serve three-year terms.

Producer members of the Commission must be citizens and residents of Washington, over the age of 25, and have been engaged in growing and producing apples within the state for a period of five years. Producer members must also operate a commercial producing orchard in their respective district from which they derive a substantial portion of their income.

A dealer is any person who handles, ships, buys, or sells apples, or who acts as a sales or purchasing agent, broker, or factor of apples. Dealer members must be citizens and residents of Washington, actively engaged as apple dealers within Washington for five years, and are dealers in the district they represent. An individual who meets the qualifications as both producer and dealer may serve in either capacity.

Candidates are nominated from and by producers and dealers, respectively, to fill expiring terms on the Commission by advisory vote. Nominees must submit a letter to the Director stating why he or she wishes to be appointed to the Commission. The Director may then appoint a candidate to the expiring position, or reject all candidates and request a new advisory vote.

Assessments.

In order to carry out the purposes of the Commission, an assessment is levied on all apples fresh grown in Washington, and packed as Washington apples. The assessment must be paid prior to shipment. The Commission may propose to increase, decrease, or eliminate this assessment. Any such adjustment of the assessment must be approved by the Director, and is subject to approval by a vote of apple producers. An increase in the assessment must be approved by two-thirds of producers and they must operate two-thirds of apple-producing acreage. A decrease in the assessment must be approved by a majority of producers and they must operate a majority of apple-producing acreage. A different rate may be determined for any specific variety, or for fresh apples sliced or cut for raw consumption.

After the election, the Commission may use its independent judgement whether or not to approve the increase or decrease.

Summary of Substitute Bill:

Commission Membership.

References to apple "producers" are changed to apple "growers." "Grower" means a person engaged in the business of producing apples for market in commercial quantities, whether as an individual, corporation, firm, limited liability company, trust, association, partnership, society, or any other organization of individuals.

Before the expiration of a member's term, the Commission must call a meeting of apple growers and dealers to nominate candidates for expiring terms. Nominations can be made orally at the meeting or in writing within five days after the meeting and must be signed by at least five apple growers for grower positions, or five dealers for dealer positions, residing in the district. If more than two candidates are nominated, the Commission must conduct an advisory vote. If two or fewer candidates are nominated, all names must be forwarded to the Director without an advisory vote.

Assessments.

Current language authorizing the Commission to levy annual assessments on fresh apples grown in Washington, and apples packed as Washington apples is retained; however, changes are made to the method of determining, and payment of, such assessments.

The Commission, or the Director on behalf of the Commission, may conduct a referendum to adjust the assessment rate. An increase in the assessment rate must be approved by two-thirds of growers and they must represent two-thirds of the apples grown in the prior two crop years based on net shipping weight. A decrease in the assessment rate must be approved by a majority of growers and they must represent two-thirds of the apples grown in the two prior crop years based on net shipping weight. "Crop year" means the year the apples are harvested regardless of when they are subsequently packed and shipped. If the new rate is approved, it must be adopted in rule.

Assessments must be paid at the time of shipment and the Commission must prescribe the method of collection of the assessment by rule. The provision allowing the Commission to issue Washington apple stamps is removed.

Substitute Bill Compared to Original Bill:

The substitute bill adds language specifying that an apple grower or dealer must be active within the state for at least five years to be eligible for nomination to the Washington Apple Commission board.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill makes several housekeeping changes and one substantive change. New methods for growing apples have resulted in more productive seasons. Changing the method of calculating votes for assessments to be based on tonnage rather than acreage is more equitable.

(Opposed) None.

Persons Testifying: Jim Halstrom, Washington State Tree Fruit Association.

Persons Signed In To Testify But Not Testifying: None.