

HOUSE BILL REPORT

HB 2633

As Reported by House Committee On:
Agriculture & Natural Resources

Title: An act relating to merging the state department of agriculture's fruit and vegetable inspection districts and accounts.

Brief Description: Merging the department of agriculture's fruit and vegetable inspection districts and accounts.

Sponsors: Representatives Blake, Buys, Rossetti, Lytton and Dent; by request of Department of Agriculture.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/28/16, 2/4/16 [DP].

Brief Summary of Bill

- Removes the requirement that the state Department of Agriculture divide the state into not less than two separate fruit and vegetable inspection districts with separate district fruit and vegetable inspection subaccounts.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: 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:

Fruit and Vegetable Inspection Program.

The Washington State Fruit and Vegetable Inspection Program (Program) is a fee-for-service program administered by the state Department of Agriculture (Department) and provides inspection and certification services for the state's fresh and processed fruits and vegetables.

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.

Fruit and vegetable products are inspected for a variety of qualities including size, labeling, condition, and whether or not the commodity is free of disease and insects as required by domestic and international markets. Washington is divided into two fruit and vegetable inspection districts (inspection districts) and district boundaries are established in rule.

Fruit and Vegetable Inspection Account.

Inspection and certification fees are deposited in the Fruit and Vegetable Inspection Account (Inspection Account). The Inspection Account is a nonappropriated account in the State Treasury and the Director of the Department authorizes expenditures from the Inspection Account. Subaccounts exist within the Inspection Account for the two inspection districts. If the funds in a district's subaccount reach a certain amount, inspection fees are reduced for that district.

In 2009 and 2013 transfers from the Inspection Account to the Plant Pest Account of \$150,000, in each year, were authorized for the control of *Rhagoletis Pomonella*, commonly known as the apple maggot or railroad worm, in the district containing Yakima County. The 2009 transfer was required to be made by September 1, 2009, and the 2013 transfer was required to be made by September 1, 2013. Any amount of both of the transfers still available after June 30, 2013, was to be transferred back to the Inspection Account. The section describing the transfer expires on July 1, 2020.

Summary of Bill:

The requirement that the state be divided into not less than two inspection districts with two separate district subaccounts is removed. The provision authorizing and describing the 2009 and 2013 fund transfers is removed.

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 Program is a fee-for-service program which provides third-party fruit and vegetable inspection services to the industry. The Program is required to maintain two districts. There is a limit on the amount of reserve funds that can be in each district's subaccounts. The mechanism to maintain the balance is to reduce fees for services in the district whose subaccount is at the limit. This means reducing fees in one district, and maintaining the fees for the same services in the other district. Administrating the Program statewide and merging the two district subaccounts into one will help manage expenditures and result in greater equity.

(Opposed) None.

Persons Testifying: Cameron Crump, Department of Agriculture; and Jim Halstrom, Washington State Tree Fruit Association.

Persons Signed In To Testify But Not Testifying: None.