

SENATE BILL REPORT

SB 6344

As of January 25, 2016

Title: An act relating to the mandatory nonbinding arbitration provisions of the Washington state seed act.

Brief Description: Concerning the mandatory nonbinding arbitration provisions of the Washington state seed act.

Sponsors: Senators Takko, Warnick and Hobbs; by request of Department of Agriculture.

Brief History:

Committee Activity: Agriculture, Water & Rural Economic Development: 1/26/16.

SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

Staff: Diane Smith (786-7410)

Background: The Seed Certification Program (Program) is a self-supporting, fee-for-service program administered by the Washington State Department of Agriculture (WSDA).

The Program conducts pre-harvest field inspections and laboratory testing of agricultural, vegetable, and flower seeds grown under the seed program. This includes field inspections, seed analysis, phytosanitary services, and related certification services. The program tests seed samples submitted by seed growers and companies to determine compliance with purity and germination standards, and to certify seed for domestic and international marketing. The program operates the state's only official seed testing laboratory, located in Yakima.

The Program provides for labeling of seeds in commerce. It is unlawful to sell or transport to sell agricultural, vegetable, or flower seeds in this state that have not been tested for percentage of germination and properly labeled according to the Program's requirements.

The Program provides for mandatory nonbinding arbitration for claims exceeding \$2,000 in damages. Arbitration is required before a legal claim may be filed. Neither the result nor the findings of the arbitration is binding in a court of law.

WSDA must appoint four members to an arbitration committee (Committee), with the fifth member being the director of WSDA (Director) or the Director's designee. Four alternates

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must also be appointed. The director must make these appointments so that the Committee's membership is balanced between the interests of dealers and buyers. The members serve without compensation but are reimbursed for their travel expenses by the parties to the arbitration. WSDA provides staffing and legal advice as the Committee finds necessary.

The Committee must make prompt and full investigation of the matters complained of and report its award to the director within 60 days of receiving a complaint. As part of its investigation, the committee may grow a representative sample of the seed in question and may hold informal hearings. Provisions are made for extending the 60-day time limitation for various causes.

Summary of Bill: All provisions relating to arbitration are repealed.

Appropriation: None.

Fiscal Note: Requested on January 22, 2016.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.