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ENGROSSED SUBSTITUTE HOUSE BILL 2128

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State of Washington

64th Legislature

2015 Regular Session

By House General Government & Information Technology (originally sponsored by Representative Hudgins; by request of Department of Agriculture)

READ FIRST TIME 02/27/15.

1 AN ACT Relating to fees assessed by the department of  
2 agriculture; amending RCW 15.36.051, 15.36.081, 15.36.491, 15.36.525,  
3 69.07.040, 69.07.085, and 69.10.015; adding a new section to chapter  
4 15.36 RCW; and creating a new section.

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  
9 appropriate stakeholders to review fees supporting programs within  
10 the department 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  
15 representatives from dairy, food processing, and other relevant  
16 professional 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  
20 department of agriculture less reliant on the state general fund.

1 Therefore, the legislature intends to implement the recommendations  
2 of the work group's report.

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

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

10 (2) Only one license may be required to process milk; however,  
11 milk processing plants must obtain the necessary endorsements from  
12 the department in order to process products as defined for each type  
13 of milk or milk product processing. Application for a license shall  
14 be on a form prescribed by the director and accompanied by a ~~((fifty-~~  
15 ~~five))~~ two hundred fifty dollar annual license fee beginning July 1,  
16 2015. The applicant shall include on the application the full name of  
17 the applicant for the license and the location of the milk processing  
18 plant he or she intends to operate and any other necessary  
19 information. Upon the approval of the application by the director and  
20 compliance with the provisions of this chapter, including the  
21 applicable rules adopted under this chapter by the department, the  
22 applicant shall be issued a license or a renewal of a license.

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

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

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

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

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

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

15       (3) The initial application and renewal for a dairy technician's  
16 license must be accompanied by a license fee of (~~ten dollars. The~~  
17 ~~fee for renewal of the license is five~~) twenty-five dollars  
18 beginning July 1, 2015. All dairy technicians' licenses shall expire  
19 on December 31<sup>st</sup> of odd-numbered years.

20       (4) The initial application for any endorsement beyond a dairy  
21 technician's license must be accompanied by an endorsement fee of  
22 twenty-five dollars beginning July 1, 2015.

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

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

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

32       The department may issue sanitary certificates to milk processing  
33 plants under this chapter subject to such requirements as it may  
34 establish by rule. The fee for issuance is (~~fifty~~) seventy-five  
35 dollars per certificate beginning July 1, 2015. Fees collected under  
36 this section shall be deposited in the agricultural local fund.

1        NEW SECTION.    **Sec. 6.**    A new section is added to chapter 15.36  
2    RCW to read as follows:

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

8        **Sec. 7.**    RCW 69.07.040 and 1995 c 374 s 21 are each amended to  
9    read as follows:

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

	If gross annual sales are:	The license fee is:
21		
22	\$0 to \$50,000	<del>\$(55.00)</del> <u>92.00</u>
23	\$50,001 to \$500,000	<del>\$(110.00)</del>
24		<u>147.00</u>
25	\$500,001 to \$1,000,000	<del>\$(220.00)</del>
26		<u>262.00</u>
27	\$1,000,001 to \$5,000,000	<del>\$(385.00)</del>
28		<u>427.00</u>
29	\$5,000,001 to \$10,000,000	<del>\$(550.00)</del>
30		<u>585.00</u>
31	Greater than \$10,000,000	<del>\$(825.00)</del>
32		<u>862.00</u>

33    (~~Such application shall~~) (2) Applications under this section must  
34    include:

35        (a) The full name of the applicant for the license and the  
36    location of the food processing plant he or she intends to operate(~~(-~~

1 ~~If such~~)), and if the applicant is an individual, receiver, trustee,  
2 firm, partnership, association, or corporation, the full name of each  
3 member of the firm or partnership, or names of the officers of the  
4 association or corporation ((shall be given on the application. Such  
5 application shall further state));

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

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

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

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

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

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

38 **Sec. 8.** RCW 69.07.085 and 1995 c 374 s 23 are each amended to  
39 read as follows:

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

6       **Sec. 9.** RCW 69.10.015 and 1995 c 374 s 10 are each amended to  
7 read as follows:

8       (1) Except as provided in this section and RCW 69.10.020, it  
9 shall be unlawful for any person to operate a food storage warehouse  
10 in the state without first having obtained an annual license from the  
11 department, which shall expire on a date set by rule by the director.  
12 Application for a license or license renewal shall be on a form  
13 prescribed by the director and accompanied by the license fee. The  
14 license fee is (~~(fifty)~~) two hundred dollars.

15       (2) For a food storage warehouse that has been inspected on at  
16 least an annual basis for compliance with the provisions of the  
17 current good manufacturing practices (Title 21 C.F.R. part 110) by a  
18 federal agency or by a state agency acting on behalf of and under  
19 contract with a federal agency and that is not exempted from  
20 licensure by RCW 69.10.020, the annual license fee for the warehouse  
21 is twenty-five dollars.

22       (3) The application shall include the full name of the applicant  
23 for the license and the location of the food storage warehouse he or  
24 she intends to operate. If such applicant is an individual, receiver,  
25 trustee, firm, partnership, association, or corporation, the full  
26 name of each member of the firm or partnership, or names of the  
27 officers of the association or corporation must be given on the  
28 application. The application shall further state the principal  
29 business address of the applicant in the state and elsewhere and the  
30 name of a person domiciled in this state authorized to receive and  
31 accept service of summons of legal notices of all kinds for the  
32 applicant. Upon the approval of the application by the director and  
33 compliance with the provisions of this chapter, including the  
34 applicable regulations adopted under this chapter by the department,  
35 the applicant shall be issued a license or renewal thereof. The  
36 director shall waive licensure under this chapter for firms that are  
37 licensed under the provisions of chapter 69.07 or 15.36 RCW.

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