

# HOUSE BILL REPORT

## HB 1429

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### As Passed Legislature

**Title:** An act relating to extending the dairy milk assessment fee to June 30, 2025.

**Brief Description:** Extending the dairy milk assessment fee to June 30, 2025.

**Sponsors:** Representatives Shewmake, Chandler, Blake, Kretz, Springer and Dent; by request of Department of Agriculture.

#### **Brief History:**

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

Rural Development, Agriculture, & Natural Resources: 2/1/19, 2/8/19 [DP];  
Appropriations: 2/25/19, 2/26/19 [DP].

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

Passed House: 3/4/19, 96-0.  
Passed Senate: 4/11/19, 46-0.  
Passed Legislature.

#### **Brief Summary of Bill**

- Extends the dairy milk assessment fee from June 30, 2020, to June 30, 2025.

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### HOUSE COMMITTEE ON RURAL DEVELOPMENT, AGRICULTURE, & NATURAL RESOURCES

**Majority Report:** Do pass. Signed by 13 members: Representatives Blake, Chair; Shewmake, Vice Chair; Chandler, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chapman, Dye, Fitzgibbon, Kretz, Lekanoff, Orcutt, Schmick, Springer and Walsh.

**Staff:** Rebecca Lewis (786-7339).

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 33 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member;

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Caldier, Chandler, Cody, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Jinkins, Kraft, Macri, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Springer, Stanford, Steele, Sullivan, Sutherland, Tarleton, Tharinger, Volz and Ybarra.

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

**Background:**

A milk processing assessment is levied on all milk processed in the state, and is paid by the operator of the first milk processing plant that receives the milk for processing, including processing plants that produce their own milk for processing. The assessment may not exceed \$0.0054 per hundredweight. Milk processing plants whose monthly assessment for receipt of milk totals less than \$20 in any given month are exempt from the assessment for that month. Funds from the assessment are deposited into the Dairy Inspection Account in the Agricultural Local Fund.

Assessment funds are used solely to provide inspection services to the dairy industry in order to maintain compliance with the "Grade A" Interstate Pasteurized Milk Ordinance (PMO) published by the United States Public Health Service, United States Department of Health and Human Services, and the United States Food and Drug Administration. The PMO is the national standard for milk sanitation, and it requires milk processing plants to be inspected at least once every three months. Complying with the PMO allows milk to move without restriction in interstate commerce.

**Summary of Bill:**

The dairy milk assessment fee is extended from June 30, 2020, to June 30, 2025.

**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** (Rural Development, Agriculture, & Natural Resources):

(In support) The federal government requires milk to be inspected before it may cross state lines. Milk is the number two agricultural commodity in Washington when ranked by receipts. Most milk produced in Washington is sold out of state. This program funds inspections so that Washington's dairy producers can sell their products out of state. It can be a significant sacrifice, but it is worth it so that dairy farmers have access to commerce. This bill does not increase the assessment, rather it simply extends the assessment for another five years. Without the extension of the program, the Washington State Department of Agriculture would have to reduce inspection services. The dairy industry is supportive of extending this program.

(Opposed) None.

**Staff Summary of Public Testimony (Appropriations):**

(In support) The dairy industry and the Department of Agriculture have a shared responsibility to provide for milk inspections. There is an important public health aspect of the program that is supported by the State General Fund, and an element that serves the industry and is supported by the fees that would be extended under the bill. Milk prices are at historic lows, but this is an important program that should be extended.

(Opposed) None.

**Persons Testifying (Rural Development, Agriculture, & Natural Resources):** Representative Shewmake, prime sponsor; Kelly McLain, Washington State Department of Agriculture; Dan Coyne, Northwest Dairy Association; and Jay Gordon, Washington State Dairy Federation.

**Persons Testifying (Appropriations):** Dan Coyne, Northwest Dairy Association.

**Persons Signed In To Testify But Not Testifying (Rural Development, Agriculture, & Natural Resources):** None.

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