

# HOUSE BILL REPORT

## HB 2074

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**As Reported by House Committee On:**  
Rural Development, Agriculture, & Natural Resources  
Appropriations

**Title:** An act relating to livestock inspection.

**Brief Description:** Concerning livestock inspection.

**Sponsors:** Representatives Blake and Chandler; by request of Department of Agriculture.

**Brief History:**

**Committee Activity:**

Rural Development, Agriculture, & Natural Resources: 2/20/19, 2/22/19 [DP];  
Appropriations: 2/26/19, 2/27/19 [DP].

**Brief Summary of Bill**

- Allows the use of the Electronic Cattle Transaction Reporting (ECTR) system to report change of ownership transactions involving any cattle, rather than only unbranded dairy cattle.
- Removes the requirement that the Washington State Department of Agriculture submit an annual report to the Legislature on inspections of both cattle and ECTR license holder records.

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

**Majority Report:** Do pass. Signed by 14 members: Representatives Blake, Chair; Shewmake, Vice Chair; Dent, Assistant Ranking Minority Member; Chapman, Dye, Fitzgibbon, Kretz, Lekanoff, Orcutt, Pettigrew, Ramos, Schmick, Springer and Walsh.

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

**Background:**

Livestock Inspection, Generally.

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*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.*

The Washington State Department of Agriculture (WSDA) Animal Health Program (Animal Health Program) is charged with protecting animals and the public from communicable animal diseases. Animal Health Program officials monitor movement of animals across state lines, set requirements for reporting and controlling diseases, and conduct testing and investigations.

Through the Livestock Inspection Program (Inspection Program), the WSDA records brands, licenses feedlots and public livestock markets, and conducts surveillance and inspection of livestock at time of sale and upon out-of-state movement. Cattle and horses are inspected for permanent identification, such as brands and ownership documents: at public livestock markets; at United States Department of Agriculture-inspected slaughter plants; at licensed, certified feedlots; at change of ownership; and prior to leaving the state. The Inspection Program is funded by fees paid by the livestock industry and does not receive General Fund dollars.

#### Electronic Cattle Transaction Reporting System.

In 2015 the Legislature authorized the WSDA to establish, by rule, an Electronic Cattle Transaction Reporting (ECTR) system to electronically report to the WSDA transactions involving unbranded dairy cattle that are individually identified through a WSDA-authorized identification method to the WSDA. Transactions that may be reported electronically include any sale, trade, gift, barter, or any other transaction that constitutes a change of ownership of unbranded dairy cattle that are individually identified through a WSDA-authorized identification method. The system is an alternative to the mandatory cattle inspections that are implemented pursuant to WSDA rule.

In order to electronically report transactions involving unbranded dairy cattle, a person needs an ECTR license (license) issued by the WSDA. Licensees must transmit to the WSDA, within 24 hours of a qualifying transaction, a record of the transaction containing the unique identification of each individual animal as assigned through a WSDA-authorized identification method. Licensees must: keep accurate records of all transactions involving unbranded dairy cattle on the property; make such records available for inspection by the WSDA upon request; and keep such records for at least three years.

The WSDA has the authority to adopt rules that designate conditions of licensure and the use of the ECTR system. Additionally, application fees, license renewal fees, and fees to be paid by a licensee for electronically reporting transactions involving unbranded dairy cattle are established in WSDA rule. Any fees must, as closely as practicable, cover the cost of the development, maintenance, fee collection, and audit and administrative oversight of the system.

#### Washington State Department of Agriculture Inspections of Cattle and Records.

The WSDA may enter a property at any reasonable time to examine and inspect cattle and records for the purposes of verifying cattle's movement. It is unlawful for any person to interfere with the WSDA's examination and inspection of cattle and records. If the WSDA is denied access to a property or cattle for purposes of examining and inspecting cattle or records, the WSDA may apply to a court of competent jurisdiction for a search warrant. If

the WSDA applies for a search warrant, the WSDA, in order to demonstrate that access is denied, is required to file a declaration with the court that describes all attempts to notify and locate the owner or owner's agent and secure consent.

By July 1 of each year the WSDA must submit a report to the Legislature documenting all examinations and inspections of cattle and inspections of records of ECTR license holders since the last report.

Denied, Suspended, or Revoked Licenses.

The WSDA may deny, suspend, or revoke a license when:

- the WSDA finds that a licensee failed to meet the reporting requirements;
- a licensee knowingly makes false or inaccurate statements;
- a licensee has previously had his or her license revoked;
- a licensee denies the WSDA entry to the licensee's facility for the purpose of examining or inspecting cattle or records; or
- a licensee violates any other provision, law, or rule governing livestock identification.

Any action by the WSDA to deny, suspend, or revoke a license must be taken pursuant to the state Administrative Procedure Act.

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**Summary of Bill:**

The Electronic Cattle Transaction Reporting (ECTR) system may be used to report change of ownership transactions for any cattle, rather than only unbranded dairy cattle.

The requirement that the Washington State Department of Agriculture submit an annual report to the Legislature documenting cattle inspections and inspections of ECTR license holder records is deleted.

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**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) This is a simple agency request bill to help address a complex situation and the uncertain future of the Livestock Inspection Program. Since the Electronic Cattle Transaction Reporting (ECTR) system was created, it has not been heavily used by the dairy industry. This bill allows the Director of the Washington State Department of Agriculture (WSDA) discretion to open the ECTR system up to transactions on a broader range of cattle

beyond just dairy cattle. The industry has been talking about creating efficiencies in cattle reporting. The ECTR system would be a valuable tool to track more than just dairy cattle transactions.

(Opposed) There are some agreeable pieces to this bill, but some rights and responsibilities are not addressed. There is a great deal of concern about the WSDA abandoning its statutory responsibility to conduct livestock inspections.

**Persons Testifying:** (In support) Representative Blake, prime sponsor; Laura Butler, Washington State Department of Agriculture; and Jack Field, Washington Cattle Feeders Association.

(Opposed) Cindy Alia, Cattle Producers of Washington.

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

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 30 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; Caldier, Chandler, Cody, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Jinkins, Kraft, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Stanford, Steele, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

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

### **Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Rural Development, Agriculture, & Natural Resources:**

No new changes were recommended.

**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) This is a simple agency request bill to help address the uncertain future of the Livestock Inspection Program (Program). Since the Electronic Cattle Transaction Reporting (ECTR) system was created, it has not been heavily used by the dairy industry. This bill allows the Washington State Department of Agriculture (WSDA) to open up the ECTR system to transactions on a broader range of cattle beyond just dairy cattle. There has been

discussion about ways to make the Program more efficient and streamlined. This bill would modernize the WSDA's tracking system.

(Opposed) None.

**Persons Testifying:** Mark Streuli, Washington Cattlemen's Association; Jack Field, Washington Cattle Feeders Association; Jay Gordon, Washington State Dairy Federation; and Laura Butler and Jodi Jones, Washington State Department of Agriculture.

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