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HOUSE BILL 2086

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State of Washington                      62nd Legislature                      2011 Regular Session

By Representatives Pettigrew, Hunter, and Roberts

Read first time 04/14/11. Referred to Committee on Ways & Means.

1            AN ACT Relating to making changes to statutes administered by the  
2 department of agriculture in order to allow for a decrease in the  
3 department of agriculture's reliance on the general fund; and amending  
4 RCW 15.36.051, 15.36.081, 15.36.551, 15.36.525, 69.07.040, 69.07.103,  
5 69.10.015, 69.25.050, 69.25.250, and 16.49.035.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7            **Sec. 1.** RCW 15.36.051 and 2005 c 414 s 1 are each amended to read  
8 as follows:

9            (1) A milk processing plant must obtain an annual milk processing  
10 plant license from the department, which shall expire on June 30<sup>th</sup> of  
11 each year. A milk processing plant may choose to process ~~((1))~~:

12            (a) Grade A milk and milk products ~~((, or (2)))~~; or

13            (b) Other milk products that are not classified grade A.

14            (2)(a) Only one license may be required to process milk ~~((+))~~.  
15 However, milk processing plants must obtain the necessary endorsements  
16 from the department in order to process products as defined for each  
17 type of milk or milk product processing.

18            (b) The application for a license ~~((shall))~~ must be on a form  
19 prescribed by the director and accompanied by a ~~((fifty-five))~~ one

1 hundred fifty dollar annual license fee. The applicant (~~shall~~) must  
2 include on the application the full name of the applicant for the  
3 license (~~and~~), the location of the milk processing plant (~~he or she~~  
4 ~~intends to operate~~) intended to be operated, and any other necessary  
5 information.

6 (c) Upon the approval of the application by the director and  
7 compliance with the provisions of this chapter, including the  
8 applicable rules adopted under this chapter by the department, the  
9 applicant shall be issued a license or a renewal of a license.

10 (3) Licenses shall be issued to cover only those products,  
11 processes, and operations specified in the license application and  
12 approved for licensing. If a license holder wishes to engage in  
13 processing a type of milk product that is different than the type  
14 specified on the application supporting the licensee's existing license  
15 and processing that type of food product would require a major addition  
16 to or modification of the licensee's processing facilities, the  
17 licensee (~~shall~~) must submit an amendment to the current license  
18 application. In such a case, the licensee may engage in processing the  
19 new type of milk product only after the amendment has been approved by  
20 the department.

21 (4) A licensee under this section (~~shall not be~~) is not required  
22 to obtain a food processing plant license under chapter 69.07 RCW to  
23 process milk or milk products.

24 (~~The director shall waive the fee for a food processing license~~  
25 ~~under chapter 69.07 RCW for persons who are also licensed as a milk~~  
26 ~~processing plant.~~)

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

29 (1) A dairy technician must obtain a dairy technician's license to  
30 conduct operations under this chapter. (~~Such~~) The dairy technician  
31 license (~~shall~~) must be limited to those functions which the licensee  
32 has been found qualified to perform. Before issuing the license, the  
33 director shall assess the applicant's qualifications and may test the  
34 applicant for the functions for which application has been made.

35 (2) An application for a license as a dairy technician (~~shall~~)  
36 must be made upon forms provided by the director(~~or~~) and (~~shall be~~)  
37 filed with the department. The director may issue a temporary license

1 to the applicant for such period as may be prescribed and stated in the  
2 license, not to exceed sixty days, but the license may not be renewed  
3 to extend the period beyond sixty days.

4 ((The)) (3) Initial and renewal applications for a dairy  
5 technician's license must be accompanied by a license fee of ((ten  
6 dollars. The fee for renewal of the license is five dollars)) thirty-  
7 five dollars. All additional endorsements for a laboratory analysis  
8 are an additional thirty-five dollars. All dairy technicians' licenses  
9 ((shall)) expire on December 31<sup>st</sup> of odd-numbered years.

10 (4) Fees collected under this section must be deposited in the  
11 agricultural local fund.

12 **Sec. 3.** RCW 15.36.551 and 2010 c 17 s 1 are each amended to read  
13 as follows:

14 (1) There is levied on all milk processed in this state an  
15 assessment ((not to exceed fifty four one hundredths of one cent)) of  
16 0.02145 cents per hundredweight. The director shall determine, by  
17 rule, an assessment, that ((with contribution from the general fund,))  
18 will support an inspection program to maintain compliance with the  
19 provisions of the pasteurized milk ordinance of the national conference  
20 on interstate milk shipment. All assessments shall be levied on the  
21 operator of the first milk processing plant receiving the milk for  
22 processing. This shall include milk processing plants that produce  
23 their own milk for processing and milk processing plants that receive  
24 milk from other sources. ((Milk processing plants whose monthly  
25 assessment for receipt of milk totals less than twenty dollars in any  
26 given month are exempted from paying this assessment for that month.))

27 (2)(a) All moneys collected under this section shall be paid to the  
28 director by the twentieth day of the succeeding month for the previous  
29 month's assessments. The director shall deposit the funds into the  
30 dairy inspection account hereby created within the agricultural local  
31 fund established in RCW 43.23.230. The funds ((shall)) must be used  
32 only to provide inspection services to the dairy industry.

33 (b) If the operator of a milk processing plant fails to remit any  
34 assessments, that sum shall be a lien on any property owned by him or  
35 her, and shall be reported by the director and collected in the manner  
36 and with the same priority over other creditors as prescribed for the  
37 collection of delinquent taxes under chapters 84.60 and 84.64 RCW.

1       (3) This section expires June 30, 2015.

2       **Sec. 4.** RCW 15.36.525 and 1999 c 291 s 25 are each amended to read  
3 as follows:

4       The department may issue sanitary certificates to milk processing  
5 plants under this chapter subject to such requirements as it may  
6 establish by rule. The fee for issuance is ~~((fifty))~~ one hundred  
7 twenty-five dollars per certificate. Fees collected under this section  
8 shall be deposited in the agricultural local fund.

9       **Sec. 5.** RCW 69.07.040 and 1995 c 374 s 21 are each amended to read  
10 as follows:

11       (1)(a) It ~~((shall be))~~ is unlawful for any person to operate a food  
12 processing plant or process foods in the state without first having  
13 obtained an annual license from the department, which ~~((shall))~~ expires  
14 on a date set by rule by the director.

15       (b) License fees ~~((shall))~~ must be prorated where necessary to  
16 accommodate staggering of expiration dates. An application for a  
17 license ~~((shall))~~ must be on a form prescribed by the director and  
18 accompanied by the license fee. The license fee is determined by  
19 computing the gross annual sales for the accounting year immediately  
20 preceding the license year. If the license is for a new operator, the  
21 license fee shall be based on an estimated gross annual sales for the  
22 initial license period.

If gross annual sales are:	The license fee is:
\$0 to \$50,000	<del>(( \$55.00 ))</del> <u>\$275.00</u>
\$50,001 to \$500,000	<del>(( \$110.00 ))</del> <u>\$550.00</u>
\$500,001 to \$1,000,000	<del>(( \$220.00 ))</del> <u>\$1,100.00</u>
\$1,000,001 to \$5,000,000	<del>(( \$385.00 ))</del> <u>\$1,925.00</u>
\$5,000,001 to \$10,000,000	<del>(( \$550.00 ))</del> <u>\$2,750.00</u>
Greater than \$10,000,000	<del>(( \$825.00 ))</del> <u>\$4,125.00</u>

30       ~~((Such))~~

31       (2)(a) The application ~~((shall))~~ for a license must include the  
32 following:

33       (i) The full name of the applicant for the license and the location  
34 of the food processing plant he or she intends to operate ~~((—If~~  
35 ~~such))~~;

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

6        (iii) The principal business address of the applicant in the state  
7 and elsewhere (~~and~~);

8        (iv) The name of a person domiciled in this state authorized to  
9 receive and accept service of summons of legal notices of all kinds for  
10 the applicant (~~(. The application shall also specify)~~);

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

29        (d) If upon investigation by the director, it is determined that a  
30 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. The director may waive the licensure requirements of  
34 this chapter for a person's operations at a facility if the person has  
35 obtained a milk processing plant license under chapter 15.36 RCW to  
36 conduct the same or a similar operation at the facility.

1       **Sec. 6.** RCW 69.07.103 and 2009 c 114 s 1 are each amended to read  
2 as follows:

3       (1) A special permit issued by the department under this section is  
4 required for the slaughter, preparation, and sale of one thousand or  
5 fewer poultry in a calendar year by a poultry producer for the sale of  
6 whole raw poultry directly to the ultimate consumer at the producer's  
7 farm. Activities conducted under the permit are exempt from any other  
8 licensing requirements of this chapter.

9       (2)(a) The department must adopt by rule requirements for the  
10 permit. The requirements must be generally patterned after those  
11 established by the state board of health for temporary food service  
12 establishments, but must be tailored specifically to poultry slaughter,  
13 preparation, and sale activities. The requirements must include, but  
14 are not limited to, those for: Cooling procedures, when applicable;  
15 sanitary facilities, equipment, and utensils; clean water; washing and  
16 other hygienic practices; and waste and wastewater disposal.

17       (b) A permit expires December 31st and may be issued for either one  
18 or two years as requested by the permit applicant upon payment of the  
19 applicable fee in accordance with subsection (4) of this section.

20       (3) The department shall conduct such inspections as are reasonably  
21 necessary to ensure compliance with permit requirements.

22       (4) The fee for a special permit is (~~(seventy-five)~~) one hundred  
23 fifty dollars for one year, or (~~(one hundred twenty-five)~~) two hundred  
24 fifty dollars for two years.

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

27       (1) Except as provided in this section and RCW 69.10.020, it  
28 (~~(shall be)~~) is unlawful for any person to operate a food storage  
29 warehouse in the state without first having obtained an annual license  
30 from the department(~~(, which shall)~~). The license expires on a date  
31 set by rule by the director. Application for a license or license  
32 renewal (~~(shall)~~) must be on a form prescribed by the director and  
33 accompanied by the license fee. The license fee is (~~(fifty)~~) five  
34 hundred dollars.

35       (2) For a food storage warehouse that has been inspected on at  
36 least an annual basis for compliance with the provisions of the current  
37 good manufacturing practices (Title 21 C.F.R. part 110) by a federal

1 agency or by a state agency acting on behalf of and under contract with  
2 a federal agency and that is not exempted from licensure by RCW  
3 69.10.020, the annual license fee for the warehouse is two hundred  
4 twenty-five dollars.

5 (3)(a) The application (~~(shall)~~) must include the full name of the  
6 applicant for the license and the location of the food storage  
7 warehouse (~~(he or she intends to operate)~~) intended to be operated. If  
8 (~~(such)~~) the applicant is an individual, receiver, trustee, firm,  
9 partnership, association, or corporation, the full name of each member  
10 of the firm or partnership, or names of the officers of the association  
11 or corporation must be given on the application.

12 (b) The application (~~(shall)~~) must further state the principal  
13 business address of the applicant in the state and elsewhere and the  
14 name of a person domiciled in this state authorized to receive and  
15 accept service of summons of legal notices of all kinds for the  
16 applicant.

17 (4) Upon the approval of the application by the director and  
18 compliance with the provisions of this chapter, including the  
19 applicable regulations adopted under this chapter by the department,  
20 the applicant shall be issued a license or renewal (~~(thereof)~~). The  
21 director shall waive licensure under this chapter for firms that are  
22 licensed under the provisions of chapter 69.07 or 15.36 RCW.

23 **Sec. 8.** RCW 69.25.050 and 1995 c 374 s 26 are each amended to read  
24 as follows:

25 (1)(a) No person shall act as an egg handler or dealer without  
26 first obtaining an annual license and permanent dealer's number from  
27 the department (~~(; such license shall expire on the master license~~  
28 ~~expiration date)~~).

29 (b) Application for an egg dealer license or egg dealer branch  
30 license, (~~(shall)~~) must be made through the master license system as  
31 provided under chapter 19.02 RCW and expires on the master license  
32 expiration date.

33 (c) The annual egg dealer license fee (~~(shall be thirty)~~) is sixty  
34 dollars and the annual egg dealer branch license fee (~~(shall be~~  
35 ~~fifteen)~~) is thirty dollars.

36 (d) A copy of the master license (~~(shall)~~) must be posted at each  
37 location where (~~(such)~~) the licensee operates. (~~(Such)~~) The

1 application (~~shall~~) must include the full name of the applicant for  
2 the license and the location of each facility (~~he~~) the applicant  
3 intends to operate.

4 (2)(a) If (~~such~~) an applicant is an individual, receiver,  
5 trustee, firm, partnership, association or corporation, the full name  
6 of each member of the firm or partnership or the names of the officers  
7 of the association or corporation shall be given on the application.  
8 (~~Such~~)

9 (b) The application (~~shall~~) must further state the principal  
10 business address of the applicant in the state and elsewhere and the  
11 name of a person domiciled in this state authorized to receive and  
12 accept service of summons of legal notices of all kinds for the  
13 applicant and any other necessary information prescribed by the  
14 director.

15 (3) The applicant must be issued a license or renewal under this  
16 section upon the approval of the application and compliance with the  
17 provisions of this chapter, including the applicable (~~regulations~~)  
18 rules adopted (~~hereunder~~) by the department (~~, the applicant shall be~~  
19 ~~issued a license or renewal thereof~~). (~~Such~~)

20 (4) The license and permanent egg handler or dealer's number  
21 (~~shall be~~) is nontransferable.

22 **Sec. 9.** RCW 69.25.250 and 1995 c 374 s 29 are each amended to read  
23 as follows:

24 (1) There is hereby levied an assessment (~~not to exceed three~~  
25 ~~mills~~) of 0.00536 cents per dozen eggs entering intrastate commerce,  
26 as prescribed by rules and regulations issued by the director.  
27 (~~Such~~) The assessment (~~shall be~~) is applicable to all eggs entering  
28 intrastate commerce except as provided in RCW 69.25.170 and 69.25.290.  
29 (~~Such~~) The assessment (~~shall~~) must be paid to the director on a  
30 monthly basis on or before the tenth day following the month (~~such~~)  
31 the eggs enter intrastate commerce.

32 (2) The director may require reports by egg handlers or dealers  
33 along with the payment of the assessment fee. (~~Such~~) The reports may  
34 include any and all pertinent information necessary to carry out the  
35 purposes of this chapter. The director may, by regulations, require  
36 egg container manufacturers to report on a monthly basis all egg



1 containers sold to any egg handler or dealer and bearing such egg  
2 handler or dealer's permanent number.

3 **Sec. 10.** RCW 16.49.035 and 2000 c 99 s 4 are each amended to read  
4 as follows:

5 (1) It is unlawful for any person to operate as a custom farm  
6 slaughterer or to operate a custom slaughtering establishment or custom  
7 meat facility in the state without first obtaining a license from the  
8 director. Custom farm slaughterers must obtain a separate license for  
9 each mobile unit. Separate licenses are required for each custom  
10 slaughtering establishment and custom meat facility.

11 (2) Application for a license must be made on a form prescribed by  
12 the director and accompanied by a ((~~twenty-five~~)) seventy-five dollar  
13 license fee. The application must include:

14 (a) The full name and address of the applicant. If the applicant  
15 is a partnership or corporation, the application must include the full  
16 name and address of each partner or officer;

17 (b) The physical location address of each establishment or facility  
18 to be licensed;

19 (c) The name and address of a resident of this state authorized to  
20 accept legal notices for the applicant; and

21 (d) Any other information prescribed by the director.

22 (3) If an application for renewal of a license and the license fee  
23 are not received by June 30th, the applicant must pay an additional fee  
24 of ((~~twenty-five~~)) seventy-five dollars before the renewal license is  
25 issued.

26 (4) Initial issuance of a license requires a prelicense inspection  
27 by the director for compliance with this chapter and rules adopted  
28 under this chapter. A license shall only be issued after an applicant  
29 is found to be in substantial compliance with this chapter and rules  
30 adopted under this chapter.

31 (5) Licenses issued under this chapter expire June 30th of each  
32 year.

33 (6) Licenses issued under this chapter are not transferrable.

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