

ANALYSIS OF SB 6019

***House Agriculture & Ecology Committee
2, 1999***

April

Repeals the Washington Crop Credit Act.

BACKGROUND:

The Washington Crop Credit Act allows groups of not less than 10 growers to form crop credit associations. These may be formed for wheat, hay, apples, and potatoes and for any other crop designated by the Director of Agriculture. (RCW 31.16.025.)

If the Director determines that there is a need for a proposed association and its articles of association are in conformity with these laws, the Director is to issue a certificate authorizing the filing of articles of association with the Secretary of State. (RCW 31.16.070.) The Director has general supervisory authority for such an association and must file a \$5000 bond to assure the faithful discharge of the Director's duties for the association. (RCW 31.16.030.)

Such an association may be formed on a temporary basis for one year for the purpose of establishing credit facilities for the handling of one crop or it may be formed on a permanent basis for up to 50 years. (RCW 31.16.028.)

Among the authorities assigned to a crop credit association under the Act are the powers to:

- borrow money and to lend the funds of the association to its members upon such security, real or personal, as it requires;
- engage in the warehouse and storage business for the benefit of its members, and to handle, prepare for market, store, ship and sell all agricultural crops for its members; and
- buy, sell, deal in, and procure for its members supplies necessary or useful for growing, harvesting and marketing of agricultural crops grown by its members. (RCW 31.16.090.)

Although such an association may act as a broker for the sale of the crops of its members, it may not buy or sell any crop for its own account. (RCW 31.16.100.)

SUMMARY:

The Washington Crop Credit Act is repealed.