

HOUSE BILL REPORT

SSB 5733

As Reported by House Committee On:
Agriculture & Natural Resources

Title: An act relating to livestock transaction reporting.

Brief Description: Concerning livestock transaction reporting.

Sponsors: Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Warnick, Hatfield and Hobbs; by request of Department of Agriculture).

Brief History:

Committee Activity:

Agriculture & Natural Resources: 3/25/15, 3/26/15 [DPA].

**Brief Summary of Substitute Bill
(As Amended by Committee)**

- Authorizes the Washington State Department of Agriculture (WSDA) to adopt rules creating an alternative cattle transaction reporting system in which licensees may electronically report transactions involving unbranded dairy cattle to the WSDA and, if so, are required to keep accurate records of the transactions for at least three years and allow the WSDA to enter the licensees' property to inspect the licensees' cattle and records.
- Requires the WSDA to submit an annual report to the legislature that documents the inspections of cattle and records belonging to holders of electronic cattle transaction reporting licenses that the WSDA performed that year and to include details regarding any actions the WSDA took following those inspections.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass as amended. Signed by 9 members: Representatives Blake, Chair; Lytton, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Orcutt, Pettigrew, Schmick, Stanford and Van De Wege.

Staff: Peter Clodfelter (786-7127).

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.

Background:

Livestock Identification.

Livestock identification and inspection systems are used to demonstrate ownership and assist in disease traceability. The Washington State Department of Agriculture (WSDA) is charged with establishing mandatory inspections of livestock, issuing individual cattle or horse identification certificates, designating documents that constitute satisfactory proof of ownership for cattle and horses (which may not include a bill of sale), and designating when inspection certificates, certificates of permit, or other transportation documents required by law or rule must designate a physical address of a destination. Any owner of livestock has a responsibility to make livestock subject to inspections readily accessible and to cooperate with the WSDA to carry out any inspection.

Current Mandatory Livestock Identification Program.

Pursuant to statutory authorization, WSDA rules regulate the reporting of livestock transactions. The WSDA rules require a certificate of permit, i.e., a "transportation permit" or "haul slip" to accompany livestock in transit, consigned to a public livestock market, special sale, or livestock processing facility, or upon entry into a certified feedlot. A certificate of permit must include the owner's name and address, the livestock breed, the sex of the animal, any brand or other methods of livestock identification, and any other information that the WSDA considers necessary. Proof of ownership for livestock may be established at the time of a livestock inspection by presenting an official livestock inspection certificate or duplicate issued by the WSDA.

All cattle must be inspected for brands or other proof of ownership in the following circumstances:

- at any point of private sale, trade, gift, barter, or any other action that constitutes a change of ownership (with limited exception);
- before being moved out of state (with limited exception);
- when being offered for sale at any public livestock market or special sale approved by the WSDA;
- upon delivery to any cattle processing plant where the United States Department of Agriculture maintains a meat inspection program (with limited exception); and
- upon entering or reentering any licensed certified feedlot before commingling with other cattle unless the cattle are accompanied by an inspection certificate issued by the WSDA, a veterinarian certified by the WSDA, or an agency in another state or Canadian province authorized by law to issue such a certificate.

However, effective July 1, 2015, and until the earlier of January 1, 2016, or the date of notice that an electronic livestock movement reporting system is available for use, individual private sales of unbranded female dairy breed cattle involving 15-head or less are exempt from the inspection program.

Also, the normal inspection and tracking requirements do not apply to bull calves and infertile female calves that are under 30 days of age that are also owned by a licensed milk producer and that are being distributed intrastate by private sale. In that circumstance, the licensed milk producer may request an official individual identification tag from the WSDA, called a "green tag," to be placed by the producer before the first point of sale. A certificate

of permit and a bill of sale listing each animal's green tag must accompany the animal to the buyer's location. For transactions within the state, cattle must be presented for inspection within 15 days from the date of the transaction.

Summary of Amended Bill:

Electronic Cattle Transaction Reporting System.

The Washington State Department of Agriculture (WSDA) is authorized to establish, by rule, a new electronic cattle transaction reporting system in which transactions involving unbranded dairy cattle that are individually identified through a WSDA-authorized identification method may be reported electronically 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 under current law that are implemented pursuant to WSDA rule.

In order to electronically report transactions involving unbranded dairy cattle, a person needs an electronic cattle transaction reporting license issued by the WSDA. Licensees are required to transmit to the WSDA, within 24 hours of a qualifying transaction, a record of the transaction containing the unique identification of each individual animal included in the transaction as assigned through a WSDA-authorized identification method. Licensees are required to keep accurate records of all transactions involving unbranded dairy cattle on the property, which must be made available for inspection by the WSDA upon request. Further, those records must be kept for at least three years.

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 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, in order to demonstrate that access is denied, the WSDA 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.

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 of chapter 16.57 RCW (livestock identification) or a rule adopted pursuant to chapter 16.57 RCW.

Any action by the WSDA to deny, suspend, or revoke a licensee's license must be pursuant to the state Administrative Procedure Act (chapter 34.05 RCW). If a license is denied, suspended, or revoked, the mandatory livestock inspection requirements that exists in current law apply to future transactions.

Washington State Department of Agriculture's Rulemaking Authority.

The WSDA may adopt rules that designate conditions of licensure and the use of the electronic cattle transaction reporting system. The WSDA may also establish an initial application fee, license renewal fee, and fees to be paid by a licensee for electronically reporting transactions involving unbranded dairy cattle. Any fees are required to, as closely as practicable, cover the cost of the development, maintenance, fee collection, and audit and administrative oversight of the system.

Amended Bill Compared to Substitute Bill:

The scope of the authorization for the electronic cattle transaction reporting system is narrowed so that the system may be used only to report transactions involving unbranded dairy cattle that are individually identified through an identification method authorized by the Washington State Department of Agriculture (WSDA), rather than to report transactions involving all cattle. Also, the holder of an electronic cattle transaction reporting license is required to transmit to the WSDA, within 24 hours of each qualifying transaction involving unbranded dairy cattle, a record of each transaction containing the unique identification of each individual animal included in the transaction as assigned through a WSDA-authorized identification method. In addition, the WSDA is required to submit an annual report to the Legislature that documents the examinations and inspections of cattle and records belonging to holders of electronic cattle transaction reporting licenses that the WSDA performed that year and to include details regarding any actions the WSDA took following the examinations and inspections.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: 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 bill represents a culmination of work done by different legislative committees and it helps fix holes in the state's disease traceability system. Years ago, one cow in the state with bovine spongiform encephalopathy ("BSE" or "mad cow disease") shut down the export market for all beef products in the state. The Washington State Department of Agriculture is currently in the process of establishing a system to respond more quickly in the event of a disease outbreak; this bill is one piece of that system. Hopefully this bill is one small step for dairies and one giant leap for animal disease traceability. Although not all stakeholders are satisfied with the current bill, many are in support.

(Opposed) None.

Persons Testifying: Senator Warnick, prime sponsor; Jay Gordon, Washington State Dairy Federation; Jim Potts, Cattle Producers of Washington; and Patrick Capper, Washington State Department of Agriculture.

Persons Signed In To Testify But Not Testifying: None.