

Notwithstanding any other provision of law, school districts, educational service districts, or any other state or local governmental agency concerned with education, when declaring texts and other books, equipment, instructional materials or relocatable facilities as surplus, shall, prior to other disposal thereof, serve notice in writing to any private school in Washington state annually requesting such a notice, that the same is available for sale to private schools, at depreciated cost or fair market value, whichever is greater: PROVIDED, That students wishing to purchase texts pursuant to RCW 28A.58.103(2) shall have priority as to such texts.

Passed the House June 10, 1977.

Passed the Senate June 9, 1977.

Approved by the Governor June 21, 1977.

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CHAPTER 304

[Substitute House Bill No. 674] AGRICULTURAL PRODUCTS

AN ACT Relating to agricultural products; amending section 1, chapter 139, Laws of 1959 as last amended by section 2, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.010; amending section 3, chapter 139, Laws of 1959 as last amended by section 18, chapter 7, Laws of 1975 1st ex. sess. and RCW 20.01.030; amending section 6, chapter 139, Laws of 1959 as last amended by section 4, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.060; amending section 8, chapter 139, Laws of 1959 as amended by section 5, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.080; amending section 8, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.086; amending section 5, chapter 232, Laws of 1963 as last amended by section 5, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.210; amending section 6, chapter 232, Laws of 1963 as amended by section 9, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.212; amending section 33, chapter 139, Laws of 1959 as amended by section 11, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.330; amending section 37, chapter 139, Laws of 1959 as last amended by section 6, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.370; amending section 42, chapter 240, Laws of 1967 as amended by section 7, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.385; amending section 43, chapter 139, Laws of 1959 as amended by section 9, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.430; amending section 10, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.445; amending section 14, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.480; amending section 15, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.500; amending section 20, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.550; and adding new sections to chapter 20.01 RCW.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 1, chapter 139, Laws of 1959 as last amended by section 2, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.010 are each amended to read as follows:

(1) "Director" means the director of agriculture or his duly authorized representative.

(2) "Person" means any natural person, firm, partnership, exchange, association, trustee, receiver, corporation, and any member, officer, or employee thereof or assignee for the benefit of creditors.

(3) "Agricultural product" means any horticultural, viticultural, berry, poultry, poultry product, grain including mint or mint oil processed by or for the producer thereof and hay and straw baled or prepared for market in any manner or form by or for the producer thereof, bee, or other agricultural products, and livestock except

horses, mules, and ((asses)) donkeys: PROVIDED, That horses, mules, and donkeys purchased or sold for slaughter shall be considered agricultural products for the purposes of this chapter.

(4) "Producer" means any person engaged in the business of growing or producing any agricultural product, whether as the owner of such products, or producing such products for others holding the title thereof.

(5) "Consignor" means any producer, person or his agent who sells, ships or delivers to any commission merchant, dealer, cash buyer, or agent, any agricultural product for processing, handling, sale or resale.

(6) "Commission merchant" means any person who shall receive on consignment for sale or processing and sale from the consignor thereof any agricultural product for sale on commission on behalf of such consignor, or who shall accept any farm product in trust from the consignor thereof for the purpose of resale, or who shall sell or offer for sale on commission any agricultural product, or who shall in any way handle for the account of or as an agent of the consignor thereof, any agricultural product.

(7) "Dealer" means any person other than a commission merchant or cash buyer, as defined in subsection (9) of this section, who solicits, contracts for, or obtains from the consignor thereof((;)) for reselling or processing, title, possession, or control of any agricultural product, or who buys or agrees to buy any agricultural product from the consignor thereof for sale or processing and includes any person, other than one who acts solely as a producer, who retains title in an agricultural product and delivers it to a producer for further production or increase: PROVIDED, That for the purpose of this ((1971 amendatory act)) chapter the term dealer includes any person who purchases livestock on behalf of and for the account of another.

(8) "Broker" means any person other than a commission merchant, dealer, or cash buyer who negotiates the purchase or sale of any agricultural product: PROVIDED, That no broker may handle the agricultural products involved or proceeds of such sale.

(9) "Cash buyer" means any person other than a commission merchant, dealer, or broker, who obtains from the consignor thereof for the purpose of resale or processing, title, possession or control of any agricultural product or who contracts for the title, possession or control of any agricultural product, or who buys or agrees to buy any agricultural product by paying to the consignor at the time of obtaining possession or control of any agricultural product the full agreed price of such agricultural product, in coin or currency, lawful money of the United States. However, a cashier's check, certified check or bankdraft may be used for such payment.

(10) "Agent" means any person who, on behalf of any commission merchant, dealer, broker, or cash buyer, acts as liaison between a consignor and a principal, or receives, contracts for, or solicits any agricultural product from the consignor thereof or who negotiates the consignment or purchase of any agricultural product on behalf of any commission merchant, dealer, broker, or cash buyer and who transacts all or a portion of such business at any location other than at the principal place of business of his employer: PROVIDED, That, with the exception of an agent for a commission merchant or dealer handling horticultural products, an

agent may operate only in the name of one principal and only to the account of said principal.

(11) "Retail merchant" means any person operating from a bona fide or established place of business selling agricultural products twelve months of each year: PROVIDED, That any retailer may occasionally wholesale any agricultural product which he has in surplus; however, such wholesaling shall not be in excess of two percent of such retailer's gross business.

(12) "Fixed or established place of business" for the purpose of this chapter shall mean any permanent warehouse, building, or structure, at which necessary and appropriate equipment and fixtures are maintained for properly handling those agricultural products generally dealt in, and at which supplies of the agricultural products being usually transported are stored, offered for sale, sold, delivered and generally dealt in in quantities reasonably adequate for and usually carried for the requirements of such a business and which is recognized as a permanent business at such place, and carried on as such in good faith and not for the purpose of ~~((not))~~ evading this chapter, and where specifically designated personnel are available to handle transactions concerning those agricultural products generally dealt in, said personnel being available during designated and appropriate hours to that business, and shall not mean a residence, barn, garage, tent, temporary stand or other temporary quarters, any railway car, or permanent quarters occupied pursuant to any temporary arrangement.

(13) "Processor" means any person, firm, company or other organization that purchases agricultural crops from a ~~((farmer-producer))~~ consignor and who cans, freezes, dries, dehydrates, cooks, presses, powders, or otherwise processes such crops in any manner whatsoever for eventual resale.

(14) "Pooling contract" means any written agreement whereby a consignor delivers a horticultural product to a commission merchant under terms whereby the commission merchant may commingle the consignor's horticultural products for sale with others similarly agreeing, which must include all of the following:

(a) A delivery receipt for the consignor which shall indicate the variety of horticultural product delivered, the number of containers, or the weight and tare thereof.

(b) Horticultural products received for handling and sale in the fresh market shall be accounted for to the consignor with individual pack-out records which shall include variety, grade, size and date of delivery. Individual daily packing summaries shall be available within forty-eight hours after packing occurs: PROVIDED, That platform inspection shall be acceptable by mutual contract agreement on small deliveries to determine variety, grade, size and date of delivery.

(c) Terms under which the commission merchant may use his judgment in regard to the sale of the pooled horticultural product.

(d) ~~((Terms setting forth))~~ The charges to be paid by the consignor as filed with the state of Washington.

(e) A provision that the consignor shall be paid for his pool contribution when the pool is in the process of being marketed in direct proportion, ~~((up to))~~ not less than eighty percent of his interest less expenses directly incurred, prior liens, and other advances on the growers crop unless otherwise mutually agreed upon between grower and commission merchant.

(15) "Date of sale" means the date agricultural products are delivered to the person buying such products.

Sec. 2. Section 3, chapter 139, Laws of 1959 as last amended by section 18, chapter 7, Laws of 1975 1st ex. sess. and RCW 20.01.030 are each amended to read as follows:

This chapter does not apply to:

(1) Any cooperative marketing associations or federations incorporated under, or whose articles of incorporation and bylaws are equivalent to, the requirements of chapter 23.86 RCW or chapter 24.32 RCW, except as to that portion of the activities of such association or federation as involves the handling or dealing in the agricultural products of nonmembers of such organization: **PROVIDED**, That such associations or federations may purchase up to fifteen percent of their gross from nonmembers for the purpose of filling orders: **PROVIDED FURTHER**, That if such cooperative or association acts as a processor as defined in RCW 20.01.500(2) and markets such processed agricultural crops on behalf of the grower or its own behalf, said association or federation shall be subject to the provisions of RCW 20.01.500 through 20.01.560 and the license provision of this chapter excluding bonding provisions: **PROVIDED FURTHER**, That none of the foregoing exemptions in this subsection shall apply to any such cooperative or federation dealing in or handling grain in any manner, and not licensed under the provisions of chapter 22.09 RCW.

(2) Any person who sells exclusively his own agricultural products as the producer thereof.

(3) Any public livestock market operating under a bond required by law or a bond required by the United States to secure the performance of such public livestock market's obligation.

(4) Any retail merchant having bona fide fixed or permanent place of business in this state.

(5) Any person buying farm products for his own use or consumption.

(6) Any warehouseman or grain dealer licensed under the state grain warehouse act.

(7) Any nurseryman who is required to be licensed under the horticultural laws of the state with respect to his operations as such licensee.

(8) Any person licensed under the now existing dairy laws of the state with respect to his operations as such licensee.

(9) Any producer who purchases less than fifteen percent of his volume to fill orders.

Sec. 3. Section 6, chapter 139, Laws of 1959 as last amended by section 4, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.060 are each amended to read as follows:

Any person licensed as a commission merchant, dealer, or broker, in the manner herein prescribed, may apply for and secure a license in any or all of the remaining such classifications upon payment of an additional fee of twenty-five dollars for each such additional classification. Such applicant shall further comply with those parts of this chapter regulating the licensing of the other particular classifications involved.

Sec. 4. Section 8, chapter 139, Laws of 1959 as amended by section 5, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.080 are each amended to read as follows:

Any person applying for a commission merchant's license shall include in his application a schedule of commissions, together with an itemized list of all charges for services to be rendered to a consignor and shall post a copy of such charges on his premises in a conspicuous place where it is clearly visible and available to consignors. Such commissions and charges shall not be changed or varied for the license period except by written contract between the consignor or his agent and the licensee or thirty days after written notice to the director, and proper posting of such changes, as prescribed by the director, on the licensee's premises. Charges for services rendered and not listed on the schedule of commissions and charges filed with the director, or for increases in charges listed and filed which are directly caused by increases in labor rates or in cost of materials which occur after the signing of the contract by the grower, shall be rendered only on an actual cost to the licensee basis.

Sec. 5. Section 8, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.086 are each amended to read as follows:

Except where specifically provided in this chapter, the reporting ((provisions)), accounting, and record-keeping requirements of ((section 9 of this 1974 amendatory act and of RCW 20.01.370 and 20.01.380)) this chapter, being matters of public interest, may not be waived by contract between the consignor and/or the commission merchant or dealer.

~~((Notwithstanding any other provision of sections 1, 2, 3, 4, 5, 6, 8, and 9 of this 1974 amendatory act the reporting and records requirements of RCW 20.01.380 may be satisfied by any dealer handling horticultural products by his making such records available at his principal place of business for inspection by the consignor.))~~

Sec. 6. Section 5, chapter 232, Laws of 1963 as last amended by section 5, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.210 are each amended to read as follows:

Before the license is issued to any commission merchant and/or dealer the applicant shall execute and deliver to the director a surety bond executed by the applicant as principal and by a surety company qualified and authorized to do business in this state as surety. Such bond shall be in the sum of seven thousand five hundred dollars for a commission merchant or any dealer handling livestock, hay, grain, or straw and a bond in the sum of three thousand dollars for any other dealer: PROVIDED, That the bond for a commission merchant, a dealer acting as a processor, or a dealer in livestock, hay, grain, or straw shall be in a minimum amount of seven thousand five hundred dollars or more based upon the annual gross dollar volume of purchases by, or consignments to the licensee. The bond for any other dealer shall be in the minimum amount of three thousand dollars, or an increased amount based upon the annual gross dollar volume of purchases by, or consignments to, the licensee. The bond for such commission merchant or dealer shall be determined by taking the annual gross dollar volume of that commission merchant or dealer of net payment to growers and dividing that amount by ~~((one hundred thirty))~~ fifty-two and the bond shall be in an amount to the next multiple

of two thousand dollars larger than the sum: PROVIDED, That the gross dollar volume used in computing the bond requirements of a commission merchant or dealer handling horticultural products shall be based on the net proceeds due to growers: PROVIDED FURTHER, That bonds above twenty-six thousand dollars shall be not less than the next multiple of five thousand dollars above the amount secured by applying the formula except that when the bond amount reaches fifty thousand dollars any amount of bond required above this shall be on a basis of ten percent of the amount arrived by applying the formula of annual gross divided by ~~((one hundred thirty))~~ fifty-two. Such bond shall be of a standard form and approved by the director as to terms and conditions. Said bond shall be conditioned that the principal will not commit any fraudulent act and will comply with the provisions of this chapter and the rules and regulations adopted hereunder. Said bond shall be to the state for the benefit of every consignor of an agricultural product in this state. The total and aggregate liability of the surety for all claims upon the bond shall be limited to the face of such bond. Every bond filed with and approved by the director shall without the necessity of periodic renewal remain in force and effect ~~((until such time as the license of the licensee is revoked for cause or otherwise canceled, or))~~ until released by notice from the director when a superseding bond has been issued and is in effect. All such sureties on a bond, as provided herein, shall also be released and discharged from all liability to the state accruing on such bond by giving notice to the principal and the director by certified mail. Upon receipt of such notice the director shall notify the surety and the principal of the effective date of termination which shall be thirty days from the receipt of such notice by the director, but this shall not operate to relieve, release or discharge the surety from any liability already accrued or which shall accrue (due and to become due hereunder) before the expiration period provided for above. Unless the principal shall before the expiration of such period, file a new bond, the director shall forthwith cancel the principal's license. Upon such cancellation the license and vehicle plates issued attendant to the license shall be surrendered to the director forthwith.

Sec. 7. Section 6, chapter 232, Laws of 1963 as amended by section 9, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.212 are each amended to read as follows:

If an applicant for a commission merchant's and/or dealer's license is bonded as a livestock dealer or packer under the provisions of the Packers and Stockyards Act of 1921 (7 U.S.C. 181), as amended, on ~~((the effective date of this act))~~ June 13, 1963, and acts as a commission merchant, packer, and/or a dealer only in livestock as defined in said Packers and Stockyards Act of 1921 (7 U.S.C. 181), the director may accept such bond in lieu of the bond required in RCW 20.01.210 as good and sufficient and issue the applicant a license limited solely to dealing in livestock. A dealer buying and selling livestock who has furnished a bond as required by the packers and stockyards administration to cover acting as order buyer as well as dealer may also act as an order buyer for others under the provisions of this ~~((1971 amendatory act))~~ chapter, and all persons who act as order buyers of livestock shall license under this ~~((1971 amendatory act))~~ chapter as a livestock

dealer: PROVIDED, That the applicant shall furnish the director with a bond approved by the United States secretary of agriculture (~~((naming the director as trustee))~~). Such bond shall be in a (~~((sum equal to or greater than the sum of the bond required in RCW 20.01.210))~~) minimum amount of seventy-five hundred dollars. It shall be a violation for the licensee to act as a commission merchant and/or dealer in any other agricultural commodity without first having notified the director and furnishing him with a bond as required under the provisions of RCW 20.01.210, and failure to furnish the director with such bond shall be cause for the immediate suspension of the licensee's license, and revocation subject to a hearing.

Sec. 8. Section 33, chapter 139, Laws of 1959 as amended by section 11, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.330 are each amended to read as follows:

The director may refuse to grant a license or renew a license and may revoke or suspend a license or issue a conditional or probationary order if he is satisfied after a hearing, as herein provided, of the existence of any of the following facts, which are hereby declared to be a violation of this chapter:

(1) That fraudulent charges or returns have been made by the applicant, or licensee, for the handling, sale or storage of, or for rendering of any service in connection with the handling, sale or storage of any agricultural product.

(2) That the applicant, or licensee, has failed or refused to render a true account of sales, or to make a settlement thereon, or to pay for agricultural products received, within the time and in the manner required by this chapter.

(3) That the applicant, or licensee, has made any false statement as to the condition, quality or quantity of agricultural products received, handled, sold or stored by him.

(4) That the applicant, or licensee, directly or indirectly has purchased for his own account agricultural products received by him upon consignment without prior authority from the consignor together with the price fixed by consignor or without promptly notifying the consignor of such purchase. This shall not prevent any commission merchant from taking to account of sales, in order to close the day's business, miscellaneous lots or parcels of agricultural products remaining unsold, if such commission merchant shall forthwith enter such transaction on his account of sales.

(5) That the applicant, or licensee, has intentionally made any false or misleading statement as to the conditions of the market for any agricultural products.

(6) That the applicant, or licensee, has made fictitious sales or has been guilty of collusion to defraud the consignor.

(7) That a commission merchant to whom any consignment is made has re-
signed such consignment to another commission merchant and has received, collected, or charged by such means more than one commission for making the sale thereof, for the consignor, unless by written consent of such consignor.

(8) That the licensee was (~~((intentionally))~~) guilty of fraud or deception in the procurement of such license.

(9) That the licensee or applicant has failed or refused to file with the director a schedule of his charges for services in connection with agricultural products handled on account of or as an agent of another, or that the applicant, or licensee, has indulged in any unfair practice.

(10) That the licensee has rejected, without reasonable cause, or has failed or refused to accept, without reasonable cause, any agricultural product bought or contracted to be bought from a consignor by such licensee; or failed or refused, without reasonable cause, to furnish or provide boxes or other containers, or hauling, harvesting, or any other service contracted to be done by licensee in connection with the acceptance, harvesting, or other handling of said agricultural products bought or handled or contracted to be bought or handled; or has used any other device to avoid acceptance or unreasonably to defer acceptance of agricultural products bought or handled or contracted to be bought or handled.

(11) That the licensee has otherwise violated any provision of this chapter and/or rules and regulations adopted hereunder.

(12) That the licensee has knowingly employed an agent, as defined in this chapter, without causing said agent to comply with the licensing requirements of this chapter applicable to agents.

(13) That the applicant or licensee has, in the handling of any agricultural products, been guilty of fraud, deceit, or ~~((willful))~~ negligence.

(14) That the licensee has failed or refused, upon demand, to permit the director or his agents to make the investigations, examination or audits, as provided in this chapter, or that the licensee has removed or sequestered any books, records, or papers necessary to any such investigations, examination, or audits, or has otherwise obstructed the same.

(15) That the licensee, without reasonable cause, has failed or refused to execute or carry out a lawful contract with a consignor.

(16) That the licensee has failed or refused to keep and maintain the records as required by this chapter and/or rules and regulations adopted hereunder.

(17) That the licensee has attempted payment by check with insufficient funds to cover such check.

(18) That the licensee has been guilty of fraud or deception in his dealings with purchasers including misrepresentation of goods as to grade, quality, weights, quantity, or any other essential fact in connection therewith.

(19) That the licensee has permitted an agent to in fact operate his own separate business under cover of the licensee's license and bond.

(20) That a commission merchant or dealer in livestock, hay, grain, or straw has failed to furnish additional bond coverage within fifteen days of when it was requested in writing by the director.

(21) That the licensee has discriminated in the licensee's dealings with consignors on the basis of race, creed, color, national origin, sex, or the presence of any sensory, mental, or physical handicap.

Sec. 9. Section 37, chapter 139, Laws of 1959 as last amended by section 6, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.370 are each amended to read as follows:

Every commission merchant, before taking control of any agricultural products for sale as such commission merchant, shall utilize the standard contract format provided for in ~~((section 8 of this 1974 amendatory act and))~~ RCW 20.01.445 as now or hereafter amended. The commission merchant shall promptly make and

keep for a period of one year, beginning on the day the sale of the product is complete, a correct record showing in detail the following with reference to the handling, sale, or storage of such agricultural products:

- (1) The name and address of the consignor.
- (2) The date received.
- (3) The quality and quantity delivered by the consignor, and where applicable the dockage, tare, grade, size, net weight, or quantity.
- (4) Date of such sale for account of consignor.
- (5) The terms of the sale.
- (6) The terms of payment to the producer.
- (7) An itemized statement of the charges to be paid by consignor in connection with the sale. Such charges shall be accounted for as a per unit charge based upon the same unit of measure for which the selling price of such product was charged.
- (8) The names and addresses of all purchasers if said commission merchant has any financial interest in the business of said purchasers, or if said purchasers have any financial interest in the business of said commission merchant, directly or indirectly, as holder of the other's corporate stock, as copartner, as lender or borrower of money to or from the other, or otherwise. Such interest shall be noted in said records following the name of any such purchaser.
- (9) A lot number or other identifying mark for each consignment, which number or mark shall appear on all sales tags and other essential records needed to show what the agricultural products actually sold for.

(10) Any claim or claims which have been or may be filed by the commission merchant against any person for overcharges or for damages resulting from the injury or deterioration of such agricultural products by the act, neglect or failure of such person and such records shall be open to the inspection of the director and the consignor of agricultural products for whom such claim or claims are made.

~~((+))~~ Where a pooling arrangement is agreed to in writing between the consignor and commission merchant, the reporting requirements of subsections (4), (5), (6), (7), and (9) of this section shall apply to the pool rather than to the individual consignor or consignment and the records of the pool shall be available for inspection by any consignor to that pool.

The commission merchant shall transmit a copy of the record required by this section to the consignor on the same day the final remittance is made to the consignor as required by RCW 20.01.430 as now or hereafter amended.

Sec. 10. Section 42, chapter 240, Laws of 1967 as amended by section 7, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.385 are each amended to read as follows:

Whenever a commission merchant or dealer handling any agricultural products fails to carry out the provisions of ~~((section 5 of this 1974 amendatory act))~~ RCW 20.01.370 as now or hereafter amended or RCW 20.01.380, whichever is applicable, it shall be prima facie evidence that the transaction involving the handling of any agricultural products between the consignor and the commission merchant or dealer was either a commission type transaction, or dealer transaction constituting an outright sale by the consignor, whichever is most favorable to the consignor. Such determination in favor of the consignor shall be based on the market price of the agricultural product in question at the time the complaint is filed against said

commission merchant or dealer by the consignor: PROVIDED, That if the return to the consignor is determined most favorably on a commission basis, the total commission shall not exceed ten percent, and all other charges for handling the agricultural product in question shall be figured on the basis of the actual cost of said handling.

Sec. 11. Section 43, chapter 139, Laws of 1959 as amended by section 9, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.430 are each amended to read as follows:

Every commission merchant shall remit to the consignor of any agricultural product the full price for which such agricultural product was sold within thirty days of ~~((said))~~ the date of sale, unless otherwise mutually agreed between grower and commission merchant. ~~((Such))~~ The remittance to the consignor shall include all collections, overcharges, and damages, less the agreed commission and other charges and advances, and a complete account of the sale.

Sec. 12. Section 10, chapter 102, Laws of 1974 ex. sess. and RCW 20.01.445 are each amended to read as follows:

The director, in accordance with the provisions of chapter 34.04 RCW and in conjunction with representatives of producers and commission merchants, shall develop a standard contract format for use in the sale or consignment of agricultural products ~~((by))~~ to persons licensed as commission merchants pursuant to this chapter.

On and after the effective date of the rules and regulations establishing the standard contract format, the director or the supervisor of the appropriate division of the department of agriculture shall approve contracts for the sale or consignment of agricultural products ~~((by))~~ to persons licensed as commission merchants pursuant to this chapter to insure that such contracts are in the form and style required by the department's rules and regulations.

Sec. 13. Section 14, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.480 are each amended to read as follows:

When a violation has occurred which results in improper payment or nonpayment and a claim is made to the department and the payment is secured through the actions of the department, the ~~((following))~~ charges ~~((will be))~~ made to the consignor for the action of the department in the matter will depend upon the delay of reporting after such improper payment or nonpayment would normally become obvious to the consignor as follows:

- (1) When reported within thirty days ~~((from time of default))~~, no charge.
- (2) When reported thirty days to one hundred eighty days ~~((from time of default))~~, five percent.
- (3) When reported after one hundred eighty days ~~((from time of default))~~, ten percent.

Sec. 14. Section 15, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.500 are each amended to read as follows:

Notwithstanding any other provision of law, for the purposes of RCW 20.01-.510 through 20.01.550 the term "grower" and the term "~~((producer))~~ processor" shall have the meanings ascribed thereto by this section:

(1) "Grower" means any person, firm, company, or other organization that is engaged in the production of agricultural crops (~~((other than sugar beets or alfalfa))~~) which must be planted, cultivated, and harvested within a twelve month period.

(2) (a) "Processor" means any person, firm, company, or other organization that purchases agricultural crops from a grower and who cans, freezes, dries, dehydrates, cooks, presses, powders, or otherwise processes such crops in any manner whatsoever for eventual resale.

(b) The exemption provided for in RCW 20.01.030(1) shall not apply to a cooperative or association as defined therein, which acts as a processor defined herein, and markets such agricultural crops on behalf of the grower or on its own behalf.

Sec. 15. Section 20, chapter 182, Laws of 1971 ex. sess. and RCW 20.01.550 are each amended to read as follows:

Any processor who (~~wilfully~~) discriminates between growers with whom he contracts as to price, conditions for production, harvesting, and delivery of crops which is not supportable by economic cost factors shall be in violation of this chapter and the director may subsequent to a hearing deny, suspend, or revoke such processor's license to act as a dealer.

NEW SECTION. Sec. 16. There is added to chapter 20.01 RCW a new section to read as follows:

In lieu of the bonding provision required by RCW 20.01.210 as now or hereafter amended, any dealer who has not been found after a hearing to be in violation of this chapter during the two most recent years of such business operations may file a bond in an amount equal to such dealer's maximum monthly purchases, divided by thirty, and multiplied by the maximum number of days which will expire after the date of sale but before final payment is made: PROVIDED, That the minimum bond provided by this section shall be in a minimum of three thousand dollars.

Any dealer utilizing the bonding provisions of this section shall file an affidavit with the director which sets forth the maximum monthly purchases of the dealer and the maximum number of days which will expire from the date of sale to the date final payment is made to consignors.

Any dealer bonded under this section who is found to be in violation of this chapter shall be required to comply with the bonding requirements of RCW 20.01.210 for a minimum of two years.

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CHAPTER 305

[Substitute House Bill No. 697]

COMMON SCHOOLS—STUDENT LEARNING OBJECTIVES

AN ACT Relating to education; amending section 1, chapter 90, Laws of 1975-'76 2nd ex. sess. and RCW 28A.58.090; and creating a new section.