

1 SEC. 4. This act being deemed of immediate importance shall be  
 2 in full force and effect from and after its passage and publication in  
 3 the Charles City Daily Press, a newspaper published at Charles City,  
 4 Iowa, and in the Oskaloosa Tribune, a newspaper published at Oskaloosa,  
 5 Iowa.

Approved February 16, 1943.

I hereby certify that the foregoing act was published in the Charles City Daily Press, Charles City, Ia., February 20, 1943, and the Oskaloosa Tribune, Oskaloosa, Ia., February 25, 1943.

WAYNE M. ROPES, *Secretary of State.*

## CHAPTER 120

### DAIRY INDUSTRY ACT

S. F. 258

AN ACT relating to the dairy industry, and to conserve and promote the prosperity and welfare of the Iowa dairy industry and of the state of Iowa by promoting the increased use and consumption of dairy products, whether processed or unprocessed, by providing for a research, educational, publicity, advertising and sales promotion campaign; to levy and impose an excise tax on butter fat produced in this state during the period from June 1 to June 15, inclusive, of each year and to provide for the collection thereof by the producer or dealer, for the purpose of creating a fund with which to conduct such research, educational, advertising publicity, and sales promotion campaign; to create the Iowa Dairy Industry Commission, and to vest the administration of this act in such commission; to provide for the particular duties and authority of said commission hereunder; and to provide penalties for violation of this act.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. As used in this Act:  
 2 (a) The term "commission" shall mean the Iowa Dairy Industry  
 3 Commission;  
 4 (b) The term "person" shall mean individuals, corporations, part-  
 5 nerships, trusts, associations, cooperatives, and any and all other  
 6 business units.  
 7 (c) The term "producer" shall mean and include every person who  
 8 produces milk or cream from cows or goats and thereafter sells the  
 9 same as milk, cream or other dairy products.  
 10 (d) The term "dealer" shall mean and include any person who  
 11 buys, sells, manufactures, processes or ships dairy products, or who  
 12 acts as sales or purchasing agent, broker or factor of dairy products.

1 SEC. 2. There is hereby created an "Iowa Dairy Industry Com-  
 2 mission" to be thus known and designated.  
 3 This commission shall be composed of the Secretary of Agriculture  
 4 of Iowa, the head of the Dairy Husbandry Department of Iowa State  
 5 College, the head of the Dairy Industry Department of Iowa State  
 6 College, and in addition thereto nine (9) members appointed by the  
 7 Executive Committee of the Iowa State Dairy Association as  
 8 immediately hereinafter provided.  
 9 The Board of Directors of the Iowa State Dairy Association shall  
 10 nominate for the office of Commissioners two (2) persons from each

11 congressional district within the State of Iowa as constituted as of  
12 January 1, 1941, both of whom shall be actual milk or cream producers  
13 and from this list as nominated and certified to the Executive  
14 Committee of the Iowa State Dairy Association, the said Executive  
15 Committee shall appoint one (1) of said nominees from each of said  
16 districts. Said appointive commissioners shall serve until the expira-  
17 tion of this Act as fixed herein. Any vacancy occurring shall be  
18 filled by the said Executive Committee from nominations made by the  
19 Board of Directors of the Iowa State Dairy Association in the manner  
20 heretofore provided. The appointive members of the Commission shall  
21 receive the sum of Five Dollars (\$5.00) per day for each day spent  
22 in actual attendance on meetings of the Commission not exceeding  
23 One Hundred Dollars (\$100.00) per annum, together with subsistence  
24 expenses not exceeding Four Dollars (\$4.00) per diem, and mileage  
25 at the rate of three and one-half cents (3½c) per mile.

1 SEC. 3. The powers and duties of the Commission shall include  
2 the following:

3 (1) To elect a chairman, a treasurer, and from time to time such  
4 other officers as it may deem advisable, and from time to time to adopt,  
5 rescind, modify and amend all proper and necessary rules, regulations  
6 and orders for the exercise of its power and the performance of its  
7 duties, which such rules, regulations and orders shall have the force  
8 and effect of law when not inconsistent with existing laws:

9 (2) To administer and enforce this Act, and do and perform all  
10 acts and exercise all powers reasonably necessary to effectuate the  
11 purpose of this Act;

12 (3) To employ at its pleasure and discharge at its pleasure such  
13 attorneys, advertising counsel, advertising agencies, clerks, and  
14 employees as it deems necessary, and to prescribe their duties and  
15 powers and fix their compensation;

16 (4) To establish offices and incur any and all expense, and to  
17 enter into any and all contracts and agreements for the proper  
18 administration and enforcement of this Act;

19 (5) To report alleged violations of this Act to the Attorney General  
20 of the State of Iowa;

21 (6) To conduct scientific research for the purpose of developing  
22 and discovering the health, food, thereapeutic,\* dietetic, and industrial  
23 uses for products of milk or its derivatives;

24 (7) To make in the name of the Commission such advertising  
25 contracts and other agreements as it deems necessary to promote the  
26 sale and consumption of dairy products on either a state or national  
27 basis;

28 (8) To keep accurate books, records, and accounts of all its dealings.  
29 which books, records and accounts shall be open to inspection and  
30 audit by the Board of Directors of the Iowa State Dairy Association  
31 or its representatives.

1 SEC. 4. The Commission shall plan and conduct a campaign for  
2 commodity advertising, publicity and sales promotion, research and  
3 educational campaigns to increase the consumption of dairy products,

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\*Note: In accordance with enrolled bill.

4 and may contract for any advertising, publicity, and sales promotion,  
5 research and educational service. To accomplish such purpose the  
6 Commission shall have power and it shall be the duty of the  
7 Commission to disseminate information as follows:

8 (a) Relating to dairy products and the importance thereof in pre-  
9 serving the public health, the economy thereof in the diet of the people,  
10 and the importance thereof in the nutrition of children;

11 (b) Relating to the manner, method and means used and employed  
12 in the production, processing and marketing of dairy products in order  
13 to comply with the laws of the state and nation regulating and safe-  
14 guarding such production and marketing to insure a pure and whole-  
15 some product;

16 (c) Relating to the method of the producer and dealer in producing  
17 and handling dairy products in order to meet the standards imposed by  
18 the state and the Federal Government to insure a pure and nutritious  
19 product;

20 (d) Relating to the harmful effect on the public health that would  
21 result from a breakdown of the dairy industry;

22 (e) Relating to the reasons why producers should receive a reason-  
23 able return on their labor investment;

24 (f) Relating to the problem of furnishing the consumer at all times  
25 with an abundant supply of high quality dairy products at reasonable  
26 prices;

27 (g) Relating to the factors of instability peculiar to the dairy indus-  
28 try, such as unbalanced production, influence of consumer purchasing  
29 power, and price relative to the cost of other items of food in the nor-  
30 mal diet of people, to the end that an intelligent and increasing con-  
31 sumer demand may be stimulated;

32 (h) Relating to the possibilities of increasing consumption of dairy  
33 products;

34 (i) Relating to such other, further and additional information as  
35 shall tend to promote increased consumption of dairy products, and as  
36 may foster a better understanding and more efficient cooperation be-  
37 tween producers, and consuming public.

1 **SEC. 5.**

2 (a) There is hereby levied and imposed an excise tax of one cent  
3 (1c) per pound or fraction thereof upon all butter fat produced in the  
4 state of Iowa during the period beginning June 1st and terminating  
5 June 15th inclusive, 1943, and annually thereafter during the same  
6 period; provided, however, that the provisions of this section shall not  
7 apply to butter fat in milk and cream produced outside the State of  
8 Iowa, or to butter fat in milk and cream consumed upon the farm where  
9 produced. For the purposes of computing the tax in markets where  
10 butter fat tests are not available, or the butter fat content not definitely  
11 known, the amount of butter fat in milk and cream shall be computed  
12 on the basis of four percent (4%) in the case of milk, and thirty-two  
13 percent (32%) in the case of cream.

14 (b) All taxes levied and imposed under this act shall be deducted  
15 from the price charged by the producer and shall be collected by the  
16 first dealer; provided however, that:

17 (1) Where the producer produces milk or cream from cows or goats  
18 and thereafter sells the same as milk, cream, or other dairy products,

19 directly to the consumer the taxes aforesaid shall be held by such pro-  
20 ducer.

21 (2) Where the producer sells milk, cream or other dairy products to  
22 any dealer outside the state of Iowa the taxes aforesaid shall be due  
23 and payable by such producer before the shipment is made, except that  
24 the commission may make such agreements with extra state dealers  
25 for the keeping of records and the collection of the taxes aforesaid as  
26 are necessary to secure the payment of the said taxes within the time  
27 fixed by this Act.

28 All the money collected or held as provided in this Section shall be  
29 deposited with the Treasurer of the commission on or before the 15th  
30 day of July for the use by the commission for the purpose of this Act.

31 The said Treasurer shall give a bond in such sum as shall be re-  
32 quired by the Commission, but not less than twenty thousand dollars  
33 (\$20,000.00).

1 SEC. 6. Every producer shipping milk, cream, or other dairy prod-  
2 ucts to any dealer outside of Iowa who is not by agreement with the  
3 Commission collecting the tax imposed by this act, and every first  
4 dealer within the State of Iowa and every producer distributing milk,  
5 cream, or other dairy products directly to the consumer, shall keep a  
6 complete and accurate record of all butter fat taxed by this Act in milk  
7 or cream produced, bottled, processed, or distributed by him during the  
8 period of June 1 to June 15, inclusive, of each year. Such records shall  
9 be in such form and contain such information as the commission shall  
10 by rule or regulation prescribe and shall be preserved by the person  
11 charged with their making for a period of two (2) years and shall be  
12 offered or submitted for inspection at any time upon written or oral  
13 request by the Commission or its duly authorized agent or employee.

1 SEC. 7. Every person charged by this Act or by agreement with  
2 the Commission with the keeping of records provided for in this Act  
3 shall at such times as the Commission may by rule or regulation  
4 require, file with the Commission a return on forms to be prescribed  
5 and furnished by the Commission stating the quantity of dairy  
6 products produced, bottled, processed, or distributed, and butter fat  
7 content of all milk or cream produced by, delivered to or purchased by  
8 such person from the various producers of dairy products or their  
9 agents in the State of Iowa during the period of time prescribed in  
10 above subsection (a) Section 5. Such return shall contain such other  
11 information as the Commission may require, and shall be made in  
12 triplicate, one (1) copy of which shall be for the files of the person  
13 making the return, and one (1) copy available at the office of such  
14 person, for the use of his patrons, and the original filed with the  
15 Commission.

1 SEC. 8. The State of Iowa shall not be liable for the acts of said  
2 Commission or its contracts. All persons dealing with the Commission  
3 shall be limited to the funds collected under the provisions of this  
4 Act, and no member of the Commission or any employee or agent  
5 thereof shall be liable on the contracts of the Commission. All salaries,  
6 expenses, costs, obligations, and liabilities incurred by said Commission  
7 shall be payable only from funds collected under the provisions of this  
8 Act.

1 SEC. 9. The Commission shall have the power to cause its authorized  
2 agents to enter upon the premises of any person charged by this Act or  
3 by agreement with the Commission with the collection of the excise  
4 tax imposed by this Act, and to cause to be examined by any such agent  
5 any books, records, documents, or other instruments bearing upon the  
6 amount of such tax collected or to be collected by such person; provided  
7 that the Commission has reasonable ground to believe that all the tax  
8 herein levied has not been collected, or that it has not been fully  
9 accounted for as herein provided.

1 SEC. 10. The Commission shall on or before the first day of March  
2 of each year make a full and complete report of its doings for the  
3 previous calendar year to the Board of Directors of the Iowa State  
4 Dairy Association, which report shall show the amount of money  
5 received and the expenditures thereof, and shall be printed in the  
6 annual Agricultural Year Book issued by the Secretary of Agriculture  
7 of the State of Iowa.

1 SEC. 11. Any person who shall violate or aid in the violation of any  
2 of the provisions of this Act upon conviction thereof shall be deemed  
3 guilty of a misdemeanor and upon conviction thereof, shall be punished  
4 by a fine not to exceed one hundred (100) dollars, or by imprisonment  
5 in the county jail not to exceed thirty (30) days. All prosecutions for  
6 alleged violations of the provisions of this Act shall be by the County  
7 Attorney of the county in which such alleged violation occurred and  
8 shall be instituted and conducted under the direction and authority of  
9 the Attorney General of the State of Iowa.

1 SEC. 12. This Act shall be liberally construed. If any section,  
2 sentence, clause or part of this Act is for any reason held to be  
3 unconstitutional or invalid, such decision shall not affect the remaining  
4 portions of this Act.

1 SEC. 13. The provisions of this Act shall be in force and effect only  
2 from the effective date of this Act to the 31st day of May, 1945,  
3 inclusive.

1 SEC. 14. This Act being deemed of immediate importance shall  
2 take effect from and after its passage and publication in The Dumont  
3 Journal, a newspaper published in Dumont, Iowa, and in the Inde-  
4 pendent Republican, a newspaper published in Waverly, Iowa.

Approved April 10, 1943.

I hereby certify that the foregoing act was published in The Dumont Journal, Du-  
mont, Ia., April 21, 1943, and the Independent Republican, Waverly, Ia., April 21, 1943.

WAYNE M. ROPES, *Secretary of State.*