

1 SEC. 2. Section one hundred ninety-two point eight (192.8), Code
2 1973, is amended by adding the following new subsection:

3 NEW SUBSECTION. "Municipal corporation" means any political
4 subdivision of this state.

1 SEC. 3. Sections one hundred ninety-two point forty-six (192.46)
2 through one hundred ninety-two point fifty-three (192.53), inclusive,
3 Code 1973, are repealed.

1 SEC. 4. All of the books and records of the Iowa butter control
2 board which is abolished under section three (3) of this Act shall be
3 collected by the secretary of agriculture and delivered to the curator
4 of the Iowa state department of history and archives as provided in
5 chapter three hundred three (303) of the Code.

Approved February 9, 1973.

CHAPTER 172

EGG SALES EXCISE TAX

H. F. 270

AN ACT to provide an excise tax on the sale of eggs, providing for the establishment of an Iowa egg council and providing a penalty for violations.

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

1 SECTION 1. NEW SECTION. **Definitions.** As used in this Act, un-
2 less the context indicates otherwise:

3 1. "Producer" means any person who owns, or contracts for the care
4 of, five hundred or more layer-type chickens, the eggs of which are
5 sold in this state through commercial channels, including, but not
6 limited to, eggs for hatching, which have been produced by the pro-
7 ducer's own flock.

8 2. "Hatchery man" means any person who operates a hatchery
9 licensed under chapter one hundred sixty-eight (168) of the Code and
10 who is actively engaged in the business of hatching and selling chick-
11 ens for commercial purposes.

12 3. "Processor" means the first purchaser of eggs from a producer,
13 or a person who both produces and processes eggs.

14 4. "Purchaser" means a person who resells eggs purchased from a
15 producer or offers for sale a product produced from such eggs for any
16 purpose.

17 5. "Poultry and poultry products" means layer-type chicken hens
18 and eggs, including hatching eggs, and their products.

19 6. "Market development" means research and educational programs
20 which are directed toward:

21 a. Better and more efficient production, marketing, and utilization
22 of poultry and poultry products produced for resale.

23 b. Better methods, including, but not limited to, public relations and
24 other promotion techniques for the maintenance of present markets
25 and for the development of new or larger domestic or foreign markets
26 and for the sale of poultry and poultry products.

27 c. Prevention, modification or elimination of trade barriers which
28 obstruct the free flow of poultry and poultry products to market.

29 7. "Secretary" means the secretary of agriculture or his appointee.

30 8. "District" means a producer district established by the Iowa
31 poultry association, incorporated. The Iowa poultry association, in-
32 corporated shall establish four districts in this state from which egg
33 producers shall be appointed to serve on the Iowa egg council pursu-
34 ant to this Act.

35 9. "Council" means the Iowa egg council.

1 SEC. 2. NEW SECTION. **Petition for election.** Upon receipt of a
2 petition signed by at least fifty producers requesting a referendum
3 election to determine whether to establish an Iowa egg council and to
4 impose an excise tax not to exceed five cents on every thirty dozen
5 eggs sold, the secretary shall call a referendum to be conducted within
6 sixty days following receipt of the petition. The petitioners shall
7 guarantee payment of the cost of a referendum held under this Act.

1 SEC. 3. NEW SECTION. **Notice of referendum.** The secretary shall
2 give notice of the referendum on the question whether to establish an
3 Iowa egg council and to impose the tax by publishing the notice for a
4 period of not less than five days in at least one newspaper of general
5 circulation in the state. The notice shall state the voting places, period
6 of time for voting, and other information deemed necessary by the
7 secretary.

8 A referendum shall not be commenced until five days after the last
9 date of publication.

1 SEC. 4. NEW SECTION. **Establishment of egg council and tax.**
2 Each producer who signs a statement certifying that he is a bona fide
3 producer shall be entitled to one vote. At the close of the referendum,
4 the secretary shall count and tabulate the ballots cast. If a majority
5 of voters favor establishing an Iowa egg council and imposing a tax,
6 an Iowa egg council shall be established, and the tax shall be imposed
7 commencing not more than sixty days following the referendum as
8 determined by the Iowa egg council and shall continue for a period
9 of five years unless extended as provided under this Act. If a major-
10 ity of the voters do not favor establishing an Iowa egg council and
11 imposing the tax, the tax will not be imposed nor will the council be
12 established until another referendum is held under this Act and a
13 majority of the voters favor establishing a council and imposing the
14 tax. If a referendum should fail, another referendum shall not be
15 held within one hundred eighty days.

16 Subsequent referendums to extend the imposition of the tax shall
17 be held every five years in the year prior to the expiration of the tax
18 in force; however, upon receipt of a petition signed by at least fifty
19 producers requesting a referendum election to determine whether to
20 terminate the establishment of the Iowa egg council and to terminate
21 the imposition of the excise tax as provided herein, the secretary
22 shall call a referendum to be conducted within sixty days following
23 the receipt of the petition. The petitioners shall guarantee the pay-
24 ment of the costs of such referendum. If the majority of the voters
25 of any subsequent referendum do not favor an extension, an addi-
26 tional referendum may be held when the secretary receives a petition
27 signed by at least fifty producers. However, the subsequent referen-
28 dum shall not be held within one hundred eighty days.

1 SEC. 5. NEW SECTION. **Composition of council.** The Iowa egg
2 council established under this Act shall be composed of four egg pro-
3 ducers, one from each district; two egg processors; and one hatchery
4 man who shall be appointed pursuant to this Act. The secretary or
5 his representative, the director of the Iowa development commission,
6 and the chairman of the poultry science section of the department of
7 animal science at Iowa state university of science and technology or
8 his representative shall serve as ex officio nonvoting members of the
9 council. The council shall annually elect a chairman from its mem-
10 bership.

1 SEC. 6. NEW SECTION. **Initial appointments.** For the initial
2 council the secretary shall notify the Iowa poultry association, incor-
3 porated, immediately after passage of the question at the referendum
4 election and the association shall nominate two producers from each
5 district, four processors from the state, and two hatchery men from
6 the state to serve on the Iowa egg council. The secretary shall receive
7 the nominations and shall appoint from these nominations members
8 of the initial council within thirty days following passage of the ques-
9 tion at the referendum election.

1 SEC. 7. NEW SECTION. **Notice of subsequent elections.** Notice of
2 subsequent elections for members of the council shall be given by the
3 council by publication in a newspaper of general circulation in the
4 state and in any other reasonable manner as may be determined by
5 the council and shall set forth the period of time for voting, voting
6 places, and other information as the council deems necessary.

1 SEC. 8. NEW SECTION. **Terms.** The term of office for members of
2 the council shall be four years and no member shall serve more than
3 three consecutive terms. The producers on the initial council shall
4 determine their terms by lot, so that two producers shall serve a two-
5 year term and two producers shall serve a four-year term. The two
6 processors on the initial council shall determine their terms by lot so
7 that one processor shall serve a two-year term and one shall serve a
8 four-year term. The hatchery man on the initial council shall serve
9 a two-year term.

1 SEC. 9. NEW SECTION. **Subsequent membership.** After the ap-
2 pointment of the initial council, the council shall administer subse-
3 quent elections for members of the council with the assistance of the
4 secretary. Before the expiration of a producer's term of office, the
5 council shall appoint a nominating committee for the district repre-
6 sented by the producer. The nominating committee shall consist of
7 five producers who are residents of the district from which a member
8 must be elected. The nominating committee shall nominate two resi-
9 dent producers as candidates for the membership position for which
10 an election is to be held. Additional candidates may be nominated by
11 a written petition of fifty producers. Procedures governing the time
12 and place of filing the nominations shall be promulgated by rule and
13 publicized by the council.

14 In addition the council shall appoint a nominating committee com-
15 posed of five processors and five hatchery men in the state. The nom-
16 inating committee shall nominate two processors as candidates for

17 each processor position and two hatchery men as candidates for the
18 hatchery man position on the council.

1 **SEC. 10. NEW SECTION. Vacancies.** The council shall by appoint-
2 ment fill an unexpired term if a vacancy occurs on the council.

1 **SEC. 11. NEW SECTION. Duties of council.** The Iowa egg council
2 shall:

3 1. Provide methods, including, but not limited to public relations and
4 other promotion techniques, for the maintenance of present markets.
5 However, the council shall not impose any marketing order or sim-
6 ilar restriction.

7 2. Assist in other market development.

8 3. Perform all acts necessary to effectuate the provisions of this
9 Act.

1 **SEC. 12. NEW SECTION. Powers.** The Iowa egg council may:

2 1. Employ and discharge assistants and professional counsel as nec-
3 essary, prescribe their duties and powers and fix their compensation.

4 2. Establish offices, incur expenses and enter into any contracts or
5 agreements necessary to carry out the purposes of this Act.

6 3. Adopt, rescind and amend all proper and necessary rules for the
7 exercise of its powers and duties.

8 4. Enter into arrangements for collection of the tax on eggs.

1 **SEC. 13. NEW SECTION. Prohibited actions.** The council shall
2 not:

3 1. Become a dues-paying member of any other firm, association, or-
4 ganization or corporation, public or private.

5 2. Furnish, directly or indirectly, any financial support to or for any
6 other person, firm, association, organization or corporation, public or
7 private, except for contracts for services rendered or to be rendered
8 for research and promotional and public relations programs and for
9 administrative expenses of the Iowa egg council.

10 3. Act, directly or indirectly, in any capacity in marketing or mak-
11 ing contracts for the marketing of eggs or poultry.

12 4. Act, directly or indirectly, in any capacity in selling or contract-
13 ing for the selling of egg-producing or poultry-producing equipment.

14 5. Make any contribution out of the funds of the council, either di-
15 rectly or indirectly, to any political party or organization or in support
16 of any political candidate for public office or payments to a political
17 candidate or member of congress or the Iowa legislature for honor-
18 ariums, speeches or for any other purposes above actual and necessary
19 expenses.

1 **SEC. 14. NEW SECTION. Compensation.** Members of the council
2 may receive payment for their actual expenses and travel in perform-
3 ing official council functions. Payment shall be made from amounts
4 collected from the tax. No member of the council shall be a salaried
5 employee of the council or any organization or agency receiving funds
6 from the council. The council shall meet at least once every three
7 months, and at other times it deems necessary.

1 **SEC. 15. NEW SECTION. Tax.** If approved by a majority of vot-
2 ers at a referendum, a tax to be set by the council at not more than
3 five cents for each thirty dozen eggs sold by a producer will be im-

4 posed on the producer at the time of delivery to a purchaser who will
 5 deduct the tax from the price paid to the producer at the time of
 6 sale. If the producer sells eggs to a purchaser outside the state of
 7 Iowa, the producer shall deduct the tax from the amount received
 8 from the sale and shall forward the amount deducted to the council
 9 within thirty days following each calendar quarter. If the producer
 10 and processor are the same person, then he shall pay the tax to the
 11 council within thirty days following each calendar quarter.

1 SEC. 16. NEW SECTION. **Invoice required.** At the time of sale,
 2 the purchaser shall sign and deliver to the producer separate invoices
 3 for each purchase. The invoices shall show:

- 4 1. The name and address of the producer and the seller, if different
- 5 from the producer.
- 6 2. The name and address of the purchaser.
- 7 3. The quantity of eggs sold.
- 8 4. The date of the purchase.
- 9 5. The rate of withholding and the total amount of tax withheld.
- 10 Invoices shall be legibly written and shall not be altered.

1 SEC. 17. NEW SECTION. **Egg fund.** Subject to the provisions of
 2 section fifteen (15) of this Act, the tax imposed by this Act shall be
 3 remitted by the purchaser to the Iowa egg council not later than thirty
 4 days following each calendar quarter following collection of the tax.
 5 Amounts collected from the tax shall be deposited in the office of the
 6 treasurer of state in a separate fund to be known as the Iowa egg
 7 fund.

1 SEC. 18. NEW SECTION. **Refunds.** A producer who has paid the
 2 tax may, by application in writing to the council, secure a refund in
 3 the amount paid. The refund shall be payable only when the appli-
 4 cation shall have been made to the council within sixty days after pay-
 5 ment of the tax. Each application for refund by a producer shall have
 6 attached thereto proof of tax paid. The proof of tax paid may be in
 7 the form of a duplicate or certified copy of the purchase invoice by the
 8 purchaser.

1 SEC. 19. NEW SECTION. **Use of egg fund.** Moneys collected un-
 2 der the authority of this Act shall be subject to audit by the auditor
 3 of state and shall be used by the Iowa egg council first for the pay-
 4 ment of collection and refund expenses, second for payment of the
 5 costs and expenses arising in connection with conducting referendums,
 6 and third for market development. Any moneys remaining in the
 7 Iowa egg fund after a referendum is held when a majority of the vot-
 8 ers do not favor extending the tax shall continue to be expended in
 9 accordance with the provisions of this Act until exhausted.

1 SEC. 20. NEW SECTION. **Warrants by comptroller.** The Iowa egg
 2 fund shall be subject at all times to warrant by the state comptroller,
 3 upon written requisition of the chairman of the council, attested to by
 4 the council secretary.

1 SEC. 21. NEW SECTION. **Bond required.** All persons holding posi-
 2 tions of trust under this Act shall give bond in the amount required
 3 by the council. The premiums for bond costs shall be paid from the
 4 Iowa egg fund.

1 **SEC. 22. NEW SECTION. Examination of records.** Persons subject
 2 to the provisions of this Act shall furnish on forms provided by the
 3 council any information needed to enable the council to effectuate the
 4 policies of this Act. For the purpose of ascertaining the correctness
 5 of any report made to the council under the provisions of this Act,
 6 the secretary may examine books, papers, records, copies of tax re-
 7 turns not confidential by law, and accounts, which are in the control
 8 of any person. The secretary may hold hearings, take testimony, ad-
 9 minister oaths, subpoena witnesses, and issue subpoenas in connection
 10 with the administration of this Act.

1 **SEC. 23. NEW SECTION. Penalty.** Any person who willfully vio-
 2 lates any provision of this Act, willfully gives a false report, state-
 3 ment, or record required by the council, or willfully fails to furnish or
 4 render any report, statement or record required by the secretary shall
 5 be guilty of a misdemeanor.

1 **SEC. 24. NEW SECTION. Purchasers outside Iowa.** The secretary
 2 may enter into arrangements with purchasers from outside Iowa for
 3 payment of the tax.

1 **SEC. 25. NEW SECTION. Report.** During the period of collection
 2 of the tax, the council in cooperation with the auditor of state shall
 3 make an annual report which shall show all income, expenses and
 4 other relevant information.

Approved June 13, 1973.

CHAPTER 173

AGRICULTURAL SEEDS

H. F. 402

AN ACT relating to the placing of permit numbers on containers of agricultural seeds.

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

1 **SECTION 1.** Section one hundred ninety-nine point fifteen (199.15),
 2 Code 1973, is amended to read as follows:

3 **199.15 Permit number—fee—fraud.** No person shall sell, distrib-
 4 ute, solicit orders for, offer or expose for sale, any agricultural seed
 5 without first obtaining from the department a permit number to engage
 6 in such business, which permit number shall be affixed to each bag or
 7 container of such agricultural seed. Permit numbers shall be listed on
 8 the label or container in such manner that they do not obscure or con-
 9 fuse the other label information. No permit number shall be required
 10 of persons selling seeds, including seed corn, which has been packed
 11 and distributed by a seedsman holding and having in force a permit
 12 number as herein provided. No permit number shall be required of
 13 persons selling, offering or exposing for sale seed of their own produc-
 14 tion, provided that such seed is stored or delivered to purchaser only
 15 on or from the farm or premises where grown. The fee for each permit
 16 number shall be five dollars per annum, and all permit numbers shall
 17 expire on the first day of July following date of issue. After due notice
 18 given at least ten days prior to a date of hearing fixed by the secretary