

Reassigned Ways and Means 2/25
SENATE FILE 2238 7/28 (p. 638)

Ways and Means
Hester, Chairperson
Scott
Ramsey

FILED FEB 20 1980

SENATE FILE 2238

By COMMITTEE ON AGRICULTURE
(FORMERLY SENATE STUDY BILL 2101)

By Agriculture 3/10

Senate File 2238

Agriculture: Bennett, Chair; Crabb and Husak.

Do Pass 3/19 (p. 1019)
Referred to Ways and Means 3/24

Passed Senate, Date 3-5-80 (p. 766) Passed House, Date 4-11-80 (p. 1432)

Vote: Ayes 29 Nays 7 Vote: Ayes 66 Nays 7

Senate File 2238 May 22, 1980

Ways and Means: Bennett, Chair; Daggett and Davitt.

A BILL FOR

1 An Act relating to the Iowa soybean promotion law by increas-
2 ing the maximum soybean assessment, requiring the Iowa
3 soybean promotion board to collect the statutory soybean
4 assessment and to pay refunds, making the ex officio
5 board members nonvoting, deleting certain references to
6 the American soybean association and American soybean
7 institute, and adding a new definition.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section one hundred eighty-five point one
2 (185.1), subsections nine (9) and eleven (11), Code 1979,
3 are amended to read as follows:

4 9. "Soybeans" means and includes all kinds of varieties
5 of soybeans ~~grown-in-this-state-and~~ marketed or sold as
6 soybeans by the producer.

7 11. "Assessment" means an excise tax on each bushel of
8 soybeans ~~raised-and-sold~~ marketed in this state as provided
9 in this chapter.

10 Sec. 2. Section one hundred eighty-five point one (185.1),
11 Code 1979, is amended by adding the following new subsection:

12 NEW SUBSECTION. "Marketed in this state" refers to a sale
13 of soybeans to a first purchaser who is a resident of or doing
14 business in this state where actual delivery of the soybeans
15 occurs in this state.

16 Sec. 3. Section one hundred eighty-five point ten (185.10),
17 Code 1979, is amended to read as follows:

18 185.10 EX OFFICIO MEMBERS. The secretary, the dean of
19 the college of agriculture of Iowa State University of science
20 and technology, and the director of the Iowa development
21 commission, or their designees, and two representatives of
22 first purchaser organizations shall serve on the board as
23 nonvoting ex officio members. One each of the two first
24 purchaser representatives shall be appointed by, and serve
25 at the pleasure of, the Iowa grain and feed association and
26 ~~the-farmers-grain-dealers-association-of-iowa~~ agri-industries.

27 Sec. 4. Section one hundred eighty-five point thirteen
28 (185.13), subsection four (4), Code 1979, is amended to read
29 as follows:

30 4. Enter into arrangements for collection of the assessment
31 on ~~iowa-grown~~ soybeans ~~from-persons-purchasing-soybeans-outside~~
32 ~~of-iowa~~ marketed in this state.

33 Sec. 5. Section one hundred eighty-five point twenty-one
34 (185.21), Code 1979, is amended to read as follows:

35 185.21 ASSESSMENT. The board shall set the assessment

1 rate. Assessments pursuant to the promotional order shall
2 be paid into the soybean promotion fund established in section
3 185.26. An assessment shall not exceed ~~one-half~~ one cent
4 per bushel upon soybeans ~~produced~~ marketed in this state and
5 sold to a first purchaser. The rate of assessment shall be
6 determined by the board but shall not be changed, once
7 established, during a marketing year.

8 Sec. 6. Chapter one hundred eighty-five (185), Code 1979,
9 is amended by adding the following new section:

10 NEW SECTION. SPECIAL REFERENDUM. At any time prior to
11 expiration of the four-year promotional order which commenced
12 December 15, 1979 and upon the petition of one hundred pro-
13 ducers, the secretary shall call a special referendum on the
14 question whether an increase of the assessment above the
15 statutory maximum of one-half cent per bushel in effect prior
16 to July 1, 1980, shall be authorized. The special referendum
17 shall be conducted as provided in this chapter for referendum
18 elections and shall not affect the existence or length of
19 the promotional order in effect. If a majority of the
20 producers voting in the special referendum approve, the board
21 may at the end of a marketing year increase the assessment
22 to the amount approved in the special referendum, not to
23 exceed one cent per bushel. This section is repealed effective
24 December 15, 1983.

25 Sec. 7. Section one hundred eighty-five point twenty-
26 three (185.23), Code 1979, is amended to read as follows:

27 185.23 DEDUCTION OF ASSESSMENT. The assessment shall
28 be deducted from the purchase price of soybeans at the time
29 of sale, and forwarded to the ~~secretary~~ board by the first
30 purchaser in the manner and at intervals determined by the
31 board.

32 Sec. 8. Section one hundred eighty-five point twenty-four
33 (185.24), Code 1979, is amended to read as follows:

34 185.24 CANCELLATION OF ORDER. If a promotional order
35 has been canceled by a referendum, and all funds expended,

1 the board shall cease to function. Any funds remaining one
2 year following the termination of a promotional order shall
3 be disbursed by the board to the Iowa soybean association,
4 ~~American-soybean-association, or the American-soybean-institute~~
5 ~~for-market-development-activities.~~ However, if a future
6 referendum passes, the board shall be reorganized by the
7 secretary and members shall serve out their terms as though
8 there had been no lapse of time between effective orders.

9 Sec. 9. Section one hundred eighty-five point twenty-six
10 (185.26), Code 1979, is amended to read as follows:

11 185.26 DEPOSIT OF FUNDS. Assessments collected by the
12 ~~secretary~~ board from a sale of soybeans shall be deposited
13 in the office of the treasurer of state together with any
14 gifts, or any federal or state grant as may be received by
15 the board, and placed in a special fund to be known as the
16 soybean promotion fund. Moneys collected shall be subject
17 to audit by the auditor of state. From moneys collected,
18 the board shall first pay the costs of referendums, elections
19 and other expenses incurred in the administration of this
20 chapter, and thereafter moneys may be expended for the purpose
21 of market development. The fund shall be subject at all times
22 to warrants by the state comptroller, drawn upon the written
23 requisition of the chairman of the board and attested to by
24 the secretary of the board.

25 Sec. 10. Section one hundred eighty-five point twenty-
26 seven (185.27), Code 1979, is amended to read as follows:

27 185.27 REFUND OF ASSESSMENT. A producer who has sold
28 soybeans and had an assessment deducted from the sale price
29 may, by application in writing to the ~~secretary~~ board, secure
30 a refund in the amount deducted. The refund shall be payable
31 only when the application shall have been made to the ~~secretary~~
32 board within sixty days after the deduction. Application
33 forms shall be given by the board to each first purchaser
34 when requested and the first purchaser shall make the
35 applications available to any producer. Each application

1 for refund by a producer shall have attached thereto proof
2 of assessment deducted. The proof of assessment may be in
3 the form of a duplicate or certified copy of the purchase
4 invoice by the first purchaser. The secretary board shall
5 have thirty days from the date the application for refund
6 is received to remit the refund to the producer.

7 Sec. 11. Section one hundred eighty-five point twenty-
8 nine (185.29), Code 1979, is amended to read as follows:

9 185.29 REMISSION OF EXCESS FUNDS. After the costs of
10 elections, referendum, necessary board expenses and
11 administrative costs have been paid, at least seventy-five
12 percent of the remaining funds in the soybean promotion fund
13 shall be ~~remitted to such organizations as the Iowa Soybean~~
14 ~~Association and the American Soybean Association~~ expended
15 for market development activities to include developing and
16 expanding new markets for soybeans and soybean products
17 worldwide. The funds can only be used for research, promotion,
18 and education in co-operation with agencies who are equipped
19 to do this kind of work.

20 ~~Notwithstanding the provisions of this section, not more~~
21 ~~than three hundred thousand dollars of the funds in the soybean~~
22 ~~promotion fund may be made available for relocating the~~
23 ~~American Soybean Association within the state of Iowa.~~

24 Sec. 12. Section one hundred eighty-five point thirty-
25 two (185.32), Code 1979, is amended to read as follows:

26 185.32 FIRST PURCHASER INFORMATION. Every first purchaser
27 shall upon request furnish the secretary with such information
28 as is necessary to enable the secretary and the board to carry
29 out the provisions of this chapter. Such information shall
30 be provided as prescribed by the secretary. The secretary
31 may examine any records relating to the purchase, sale,
32 storage, processing, handling, or assessment of soybeans by
33 any first purchaser. The secretary may hold hearings, take
34 testimony, administer oaths, subpoena witnesses, and issue
35 subpoenas as may be necessary ~~to carry out the provisions~~

1 for the proper administration of this chapter.

2 Sec. 13. Section one hundred eighty-five point thirty-
3 three (185.33), Code 1979, is amended to read as follows:

4 185.33 ANNUAL REPORT. The secretary board shall make
5 an annual report to the secretary on or before November 1
6 of each year, showing all income and expenses and other
7 relevant information concerning assessments collected and
8 expended under the provisions of this chapter.

9 EXPLANATION

10 The Iowa soybean promotion board consists of five ex of-
11 ficio members and thirteen farmers elected by farmers to
12 administer the Iowa soybean checkoff. Soybean checkoff moneys
13 are actually received, however, by the Iowa department of
14 agriculture, which also pays refunds. This bill would switch
15 those functions to the Iowa soybean promotion board. It also
16 increases the maximum assessment that can be established by
17 the Iowa soybean promotion board.

18 The bill deletes from the Code any references to the
19 American soybean association and American soybean institute.
20 It adds a definition which clarifies the applicability of
21 the soybean checkoff to out-of-state sales, and specifies
22 that the ex officio board members shall be nonvoting.

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SENATE FILE 2238

AN ACT

RELATING TO THE IOWA SOYBEAN PROMOTION LAW BY INCREASING THE MAXIMUM SOYBEAN ASSESSMENT, REQUIRING THE IOWA SOYBEAN PROMOTION BOARD TO COLLECT THE STATUTORY SOYBEAN ASSESSMENT AND TO PAY REFUNDS, MAKING THE EX OFFICIO BOARD MEMBERS NONVOTING, DELETING CERTAIN REFERENCES TO THE AMERICAN SOYBEAN ASSOCIATION AND AMERICAN SOYBEAN INSTITUTE, AND ADDING A NEW DEFINITION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section one hundred eighty-five point one (185.1), subsections nine (9) and eleven (11), Code 1979, are amended to read as follows:

9. "Soybeans" means and includes all kinds of varieties of soybeans ~~grown-in-this-state-and~~ marketed or sold as soybeans by the producer.

11. "Assessment" means an excise tax on each bushel of soybeans ~~raised-and-sold~~ marketed in this state as provided in this chapter.

Sec. 2. Section one hundred eighty-five point one (185.1), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. "Marketed in this state" refers to a sale of soybeans to a first purchaser who is a resident of or doing business in this state where actual delivery of the soybeans occurs in this state.

Sec. 3. Section one hundred eighty-five point ten (185.10), Code 1979, is amended to read as follows:

185.10 EX OFFICIO MEMBERS. The secretary, the dean of the college of agriculture of Iowa State University of science and technology, and the director of the Iowa development commission, or their designees, and two representatives of first purchaser organizations shall serve on the board as nonvoting ex officio members. One each of the two first purchaser representatives shall be appointed by, and serve at the pleasure of, the Iowa grain and feed association and ~~the farmers-grain-dealers-association-of-iowa~~ agri-industries.

Sec. 4. Section one hundred eighty-five point thirteen (185.13), subsection four (4), Code 1979, is amended to read as follows:

4. Enter into arrangements for collection of the assessment on ~~iowa-grown~~ soybeans ~~from-persons-purchasing-soybeans-outside-of-iowa~~ marketed in this state.

Sec. 5. Section one hundred eighty-five point twenty-one (185.21), Code 1979, is amended to read as follows:

185.21 ASSESSMENT. The board shall set the assessment rate. Assessments pursuant to the promotional order shall be paid into the soybean promotion fund established in section 185.26. An assessment shall not exceed ~~one-half~~ one cent per bushel upon soybeans ~~produced~~ marketed in this state and sold to a first purchaser. The rate of assessment shall be determined by the board but shall not be changed, once established, during a marketing year.

Sec. 6. Chapter one hundred eighty-five (185), Code 1979, is amended by adding the following new section:

NEW SECTION. SPECIAL REFERENDUM. At any time prior to expiration of the four-year promotional order which commenced December 15, 1979 and upon the petition of one hundred producers, the secretary shall call a special referendum on the question whether an increase of the assessment above the statutory maximum of one-half cent per bushel in effect prior to July 1, 1980, shall be authorized. The special referendum shall be conducted as provided in this chapter for referendum elections and shall not affect the existence or length of the promotional order in effect. If a majority of the producers voting in the special referendum approve, the board may at the end of a marketing year increase the assessment to the amount approved in the special referendum, not to exceed one cent per bushel. This section is repealed effective December 15, 1983.

Sec. 7. Section one hundred eighty-five point twenty-three (185.23), Code 1979, is amended to read as follows:

185.23 DEDUCTION OF ASSESSMENT. The assessment shall be deducted from the purchase price of soybeans at the time of sale, and forwarded to the secretary board by the first

purchaser in the manner and at intervals determined by the board.

Sec. 8. Section one hundred eighty-five point twenty-four (185.24), Code 1979, is amended to read as follows:

185.24 CANCELLATION OF ORDER. If a promotional order has been canceled by a referendum, and all funds expended, the board shall cease to function. Any funds remaining one year following the termination of a promotional order shall be disbursed by the board to the Iowa soybean association; ~~American-soybean-association; or the American-soybean-institute for-market-development-activities.~~ However, if a future referendum passes, the board shall be reorganized by the secretary and members shall serve out their terms as though there had been no lapse of time between effective orders.

Sec. 9. Section one hundred eighty-five point twenty-six (185.26), Code 1979, is amended to read as follows:

185.26 DEPOSIT OF FUNDS. Assessments collected by the secretary board from a sale of soybeans shall be deposited in the office of the treasurer of state together with any gifts, or any federal or state grant as may be received by the board, and placed in a special fund to be known as the soybean promotion fund. Moneys collected shall be subject to audit by the auditor of state. From moneys collected, the board shall first pay the costs of referendums, elections and other expenses incurred in the administration of this chapter, and thereafter moneys may be expended for the purpose of market development. The fund shall be subject at all times to warrants by the state comptroller, drawn upon the written requisition of the chairman of the board and attested to by the secretary of the board.

Sec. 10. Section one hundred eighty-five point twenty-seven (185.27), Code 1979, is amended to read as follows:

185.27 REFUND OF ASSESSMENT. A producer who has sold soybeans and had an assessment deducted from the sale price may, by application in writing to the secretary board, secure a refund in the amount deducted. The refund shall be payable only when the application shall have been made to the secretary board within sixty days after the deduction. Application

forms shall be given by the board to each first purchaser when requested and the first purchaser shall make the applications available to any producer. Each application for refund by a producer shall have attached thereto proof of assessment deducted. The proof of assessment may be in the form of a duplicate or certified copy of the purchase invoice by the first purchaser. The secretary board shall have thirty days from the date the application for refund is received to remit the refund to the producer.

Sec. 11. Section one hundred eighty-five point twenty-nine (185.29), Code 1979, is amended to read as follows:

185.29 REMISSION OF EXCESS FUNDS. After the costs of elections, referendum, necessary board expenses and administrative costs have been paid, at least seventy-five percent of the remaining funds in the soybean promotion fund shall be ~~remitted to such organizations as the Iowa Soybean Association and the American Soybean Association~~ expended for market development activities to include developing and expanding new markets for soybeans and soybean products worldwide. The funds can only be used for research, promotion, and education in co-operation with agencies who are equipped to do this kind of work.

~~Notwithstanding the provisions of this section, not more than three hundred thousand dollars of the funds in the soybean promotion fund may be made available for retaining the American Soybean Association within the state of Iowa.~~

Sec. 12. Section one hundred eighty-five point thirty-two (185.32), Code 1979, is amended to read as follows:

185.32 FIRST PURCHASER INFORMATION. Every first purchaser shall upon request furnish the secretary with such information as is necessary to enable the secretary and the board to carry out the provisions of this chapter. Such information shall be provided as prescribed by the secretary. The secretary may examine any records relating to the purchase, sale, storage, processing, handling, or assessment of soybeans by any first purchaser. The secretary may hold hearings, take testimony, administer oaths, subpoena witnesses, and issue subpoenas as may be necessary ~~to carry out the provisions~~ for the proper administration of this chapter.

Sec. 13. Section one hundred eighty-five point thirty-three (185.33), Code 1979, is amended to read as follows:

185.33 ANNUAL REPORT. The ~~secretary~~ board shall make an annual report to the secretary on or before November 1 of each year, showing all income and expenses and other relevant information concerning assessments collected and expended under the provisions of this chapter.

TERRY E. BRANSTAD
President of the Senate

WILLIAM H. HARBOR
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2238, Sixty-eighth General Assembly.

FRANK J. STORK
Secretary of the Senate

Approved 5/22, 1980

ROBERT D. RAY
Governor

S.F. 2238