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w/ H 5679

SENATE FILE 2285  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SSB 2246)

Passed Senate, Date (P. 568) 3-8-94 Passed House, Date \_\_\_\_\_  
Vote: Ayes 50 Nays 0 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to agricultural commodity organizations, by  
2 providing for their administration, the collection, deposit,  
3 and transfer of moneys, and assessments, and providing an  
4 effective date.

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

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S.F. 2205

1 Section 1. Section 179.1, Code 1993, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 7A. "Qualified financial institution"  
4 means a banking or savings institution which is authorized to  
5 receive deposits under the laws of this state, another state,  
6 or the United States, and which is a member of the federal  
7 deposit insurance corporation or the national credit union  
8 administration, or an affiliate of such an institution.

9 Sec. 2. Section 179.5, subsection 3, Code 1993, is amended  
10 to read as follows:

11 3. All taxes levied and imposed under this chapter and  
12 other contributions made to the dairy industry commission,  
13 shall be paid to and collected by the commission within thirty  
14 days after the end of the month during which the milk was  
15 marketed. The commission shall remit the taxes and other  
16 contributions to the treasurer of the state each quarter, and  
17 at the same time render to the director of revenue and finance  
18 an itemized and verified report showing the source from which  
19 the taxes and voluntary contributions were obtained. All  
20 taxes and voluntary contributions received, collected and  
21 remitted shall be placed in a special fund by the treasurer of  
22 state and the director of revenue and finance, to be known as  
23 the "Dairy Industry Fund" to be used by the Iowa dairy  
24 industry commission for the purposes set out in this chapter  
25 and to administer and enforce the laws relative to this  
26 chapter. Funds The treasurer of state shall periodically  
27 transfer moneys from the fund to the commission for deposit  
28 into an account established by the commission in a qualified  
29 financial institution. Moneys deposited in the dairy-industry  
30 fund and transferred to the commission as provided in this  
31 section are appropriated and shall be used for the purpose of  
32 carrying out the provisions of this chapter.

33 Sec. 3. Section 179.8, Code 1993, is amended to read as  
34 follows:

35 179.8 PAYMENT OF EXPENSES -- LIMITATION.

1 No part of the expense incurred by the commission shall be  
2 paid out of ~~any funds~~ moneys in the state treasury except said  
3 moneys transferred to the commission from the dairy industry  
4 ~~fund which shall be subject at all times to the warrant of the~~  
5 ~~director of revenue and finance, drawn upon written~~  
6 ~~requisition of the chairperson of the commission and attested~~  
7 ~~by the secretary.~~ Moneys transferred from the fund to the  
8 commission, as provided in section 179.5, shall be used for  
9 the payment of all salaries, and other expenses necessary, to  
10 carry out the provisions of this chapter ~~but.~~ However, in no  
11 event shall the total expenses therefor exceed the total taxes  
12 collected and ~~deposited to the credit of said~~ transferred from  
13 the fund to the commission.

14 No more than five percent of the excise tax collected and  
15 received by the commission pursuant to section 179.5 shall be  
16 utilized for administrative expenses of the commission.

17 Sec. 4. Section 179.10, Code 1993, is amended by striking  
18 the section and inserting in lieu thereof the following:

19 179.10 REPORT.

20 The commission shall each year prepare and submit a report  
21 summarizing the activities of the commission under this  
22 chapter and the audit to the auditor of state and the  
23 secretary of agriculture. The report shall show all income,  
24 expenses, and other relevant information concerning fees  
25 collected and expended under this chapter.

26 Sec. 5. Section 181.2, subsection 7, Code 1993, is amended  
27 to read as follows:

28 7. ~~Make~~ Prepare an annual report of the proceedings and  
29 ~~expenditures to the secretary of agriculture as provided in~~  
30 section 181.18B.

31 Sec. 6. Section 181.6, Code 1993, is amended by adding the  
32 following new subsection:

33 NEW SUBSECTION. 4. "Qualified financial institution"  
34 means a banking or savings institution which is authorized to  
35 receive deposits under the laws of this state, another state,

1 or the United States, and which is a member of the federal  
2 deposit insurance corporation or the national credit union  
3 administration, or an affiliate of such institution.

4 Sec. 7. Section 181.13, Code 1993, is amended to read as  
5 follows:

6 181.13 FUND ADMINISTRATION OF MONEYS.

7 All excise taxes imposed and levied under this chapter  
8 shall be paid to and collected by the executive committee and  
9 deposited with the treasurer of state in a separate cattle and  
10 veal calf fund which is hereby shall be created by the  
11 treasurer of state. The treasurer of state shall periodically  
12 transfer moneys from the fund to the executive committee for  
13 deposit into an account established by the executive committee  
14 in a qualified financial institution. From the moneys  
15 collected, deposited, and transferred to the executive  
16 committee, in accordance with the provisions of this chapter,  
17 the executive committee shall first pay the costs of  
18 referendums held pursuant hereto to this chapter; the costs of  
19 collection of such excise tax, the expenses of its agents and  
20 expenses of officers provided for in section 181.5. Except as  
21 otherwise provided in section 181.19, at least thirty percent  
22 of the funds-remaining-thereafter remaining moneys shall be  
23 remitted to the national livestock and meat board and the beef  
24 industry council thereof, and at least ten percent of the  
25 remaining funds shall be remitted to the Iowa beef cattle  
26 producers association in such proportions as-the determined by  
27 the executive committee may-determine, for use by-them in a  
28 manner not inconsistent with section 181.7. The remaining  
29 moneys received, with approval of a majority of the executive  
30 committee, shall be expended as found the executive committee  
31 finds necessary to carry out the provisions and purposes of  
32 this chapter. The-cattle-and-veal-calf-fund-shall-be-subject  
33 at-all-times-to-warrants-by-the-director-of-revenue-and  
34 finance, drawn-upon-the-written-requisition-of-the-chairperson  
35 of-the-executive-committee-and-attested-to-by-its-secretary,

1 for the payment of all expenditures of the committee, which  
2 shall, at no time, exceed the amount deposited to the credit  
3 of such fund. However, in no event shall the total expenses  
4 exceed the total amount transferred from the fund for use by  
5 the executive committee.

6 All moneys deposited in the cattle and veal calf fund and  
7 transferred to the executive committee pursuant to this  
8 section are appropriated and shall be used for the  
9 administration of this chapter and for the payment of claims  
10 based upon obligations incurred in the performance of  
11 activities and functions set forth in this chapter.

12 Sec. 8. Section 181.16, Code 1993, is amended to read as  
13 follows:

14 181.16 MONEYS REMAINING IN FUND.

15 If any extension referendum fails to carry, moneys  
16 remaining in the cattle and veal calf fund or transferred to  
17 the executive committee, shall continue to be transferred and  
18 expended in accordance with the provisions of this chapter  
19 until exhausted.

20 Sec. 9. NEW SECTION. 181.18B REPORT.

21 The executive committee shall each year prepare and submit  
22 a report summarizing the activities of the executive committee  
23 under this chapter and the audit to the auditor of state and  
24 the secretary of agriculture. The report shall show all  
25 income, expenses, and other relevant information concerning  
26 fees collected and expended under this chapter.

27 Sec. 10. Section 183A.1, Code 1993, is amended by adding  
28 the following new subsection:

29 NEW SUBSECTION. 9. "Qualified financial institution"  
30 means a banking or savings institution which is authorized to  
31 receive deposits under the laws of this state, another state,  
32 or the United States, and which is a member of the federal  
33 deposit insurance corporation or the national credit union  
34 administration, or an affiliate of such an institution.

35 Sec. 11. Section 183A.7, Code 1993, is amended to read as

1 follows:

2 183A.7 FUND ADMINISTRATION OF MONEYS.

3 Assessments imposed under this chapter paid to and col-  
4 lected by the Iowa pork producers council shall be deposited  
5 in the pork promotion fund which is established in the office  
6 of the treasurer of state. The treasurer of state shall  
7 periodically transfer moneys from the fund to the council for  
8 deposit into an account established by the council in a  
9 qualified financial institution.

10 All moneys deposited in the pork promotion fund and  
11 transferred to the council as provided in this section are  
12 appropriated and shall be used for the administration of this  
13 chapter and for the payment of claims based upon obligations  
14 incurred in the performance of activities and functions set  
15 forth in this chapter.

16 From the moneys collected, deposited, and transferred to  
17 the council as provided in this chapter, the council shall  
18 first pay the costs of referendums held pursuant to this  
19 chapter. Of the funds moneys remaining, at least ten percent  
20 shall be remitted to the national livestock and meat board and  
21 the pork industry group; thereof, at least twenty-five percent  
22 shall be remitted to the national pork producers council; and  
23 at least fifteen percent shall be remitted to the Iowa pork  
24 producers association, in the proportion the committee  
25 determines, for use by recipients in a manner not inconsistent  
26 with market development as defined in section 183A.1. Moneys  
27 remaining ~~in the fund~~ shall be spent as found necessary by the  
28 council to further carry out the provisions and purposes of  
29 this chapter.

30 ~~The pork promotion fund shall be subject at all times to~~  
31 ~~warrants by the director of revenue and finance, drawn upon~~  
32 ~~the written requisition of the chair of the council, attested~~  
33 ~~to by its secretary, for payment of expenditures of the~~  
34 ~~council, which shall, at no time, exceed the amount deposited~~  
35 ~~in the fund.~~ However, in no event shall the total expenses

1 exceed the total amount of moneys transferred from the fund  
2 for use by the council.

3 Sec. 12. Section 183A.11, Code 1993, is amended to read as  
4 follows:

5 183A.11 AUDIT.

6 Moneys collected, ~~under authority of~~ deposited in the fund,  
7 and transferred to the council, as provided in this chapter  
8 shall be supervised by a certified public accountant employed  
9 by the council using generally accepted accounting principles  
10 and shall be subject to audit by the auditor of state.

11 Sec. 13. NEW SECTION. 183A.12A REPORT.

12 The council shall prepare and submit a report summarizing  
13 the activities of the council under this chapter and the audit  
14 each year to the auditor of state and the secretary of  
15 agriculture. The report shall show all income, expenses, and  
16 other relevant information concerning fees collected and  
17 expended under the provisions of this chapter.

18 Sec. 14. Section 184A.1, Code 1993, is amended by adding  
19 the following new subsection:

20 NEW SUBSECTION. 4A. "Qualified financial institution"  
21 means a banking or savings institution which is authorized to  
22 receive deposits under the laws of this state, another state,  
23 or the United States, and which is a member of the federal  
24 deposit insurance corporation or the national credit union  
25 administration, or an affiliate of such an institution.

26 Sec. 15. Section 184A.4, Code 1993, is amended to read as  
27 follows:

28 184A.4 DEPOSIT-OF-FEE ADMINISTRATION OF MONEYS.

29 The fee imposed by this chapter shall be paid by the  
30 processor to the Iowa turkey marketing council. Amounts  
31 collected from the fees shall be deposited with the treasurer  
32 of state in a separate special fund to be known as the "Iowa  
33 turkey account". The treasurer of state shall periodically  
34 transfer moneys from the fund to the council for deposit into  
35 an account established by the council in a qualified financial

1 institution.

2 Sec. 16. Section 184A.6, Code 1993, is amended to read as  
3 follows:

4 184A.6 USE OF FUNDS MONEYS.

5 After payment of expenses, in accordance with section  
6 ~~184A.9 all-moneys-in-the-Iowa-turkey-account~~ the council may  
7 ~~be-used-by-the-Iowa-turkey-marketing-council~~ use moneys  
8 transferred to the council as provided in this chapter which  
9 are appropriated and shall be used for the administration of  
10 this chapter, and for payment of claims based upon obligations  
11 incurred in market development on behalf of the turkey  
12 ~~industry and-such-moneys-are-hereby-appropriated-for-such~~  
13 purposes.

14 Sec. 17. Section 184A.9, Code 1993, is amended to read as  
15 follows:

16 184A.9 AUDIT.

17 Moneys collected under-authority-of, deposited in the fund,  
18 and transferred to the council, as provided in this chapter  
19 shall be subject to audit by the auditor of state and. The  
20 moneys shall be used by the council first for the payment of  
21 collection expenses and for payment of the costs and expenses  
22 arising in connection with conducting any required  
23 referendums, and secondly by the turkey marketing council for  
24 market development.

25 Sec. 18. Section 184A.17, Code 1993, is amended by  
26 striking the section and inserting in lieu thereof the  
27 following:

28 184A.17 REPORT.

29 The council shall prepare and submit a report summarizing  
30 the activities of the council under this chapter and the audit  
31 each year to the auditor of state and the secretary of  
32 agriculture. The report shall show all income, expenses, and  
33 other relevant information concerning fees collected and  
34 expended under the provisions of this chapter.

35 Sec. 19. Section 185.1, subsections 6 and 11, Code 1993,

1 are amended to read as follows:

2 6. "Market development" means to engage in research and  
3 educational programs directed toward better and more efficient  
4 production and utilization of soybeans; to provide methods and  
5 means, including but not limited to, public relations and  
6 other promotion techniques for the maintenance of present  
7 markets; to provide for the development of new or larger  
8 domestic and foreign markets; and to provide for the  
9 prevention, modification, or elimination of trade barriers  
10 which obstruct the free flow of soybeans.

11 11. "Sale" or "purchase" includes but is not limited to  
12 the pledge or other encumbrance of soybeans as security for a  
13 loan extended under a federal price support loan program.  
14 ~~Actual~~ Sale and actual delivery of the soybeans under the  
15 federal price support loan program occurs when the soybeans  
16 ~~are pledged or otherwise encumbered to secure the loan~~  
17 marketed following redemption by the producer or when the  
18 soybeans are forfeited in lieu of loan repayment. ~~The~~ If the  
19 soybeans are forfeited in lieu of repayment, the purchase  
20 price of the soybeans is the principal amount of the loan  
21 extended and the purchase-invoice-for-the-soybeans-is-the  
22 documentation-required-for-extension-of-the-loan assessment  
23 shall be collected at the time of loan settlement.

24 Sec. 20. Section 185.1, Code 1993, is amended by adding  
25 the following new subsection:

26 NEW SUBSECTION. 10A. "Qualified financial institution"  
27 means a banking or savings institution which is authorized to  
28 receive deposits under the laws of this state, another state,  
29 or the United States, and which is a member of the federal  
30 deposit insurance corporation or the national credit union  
31 administration, or an affiliate of such institution.

32 Sec. 21. Section 185.10, Code 1993, is amended to read as  
33 follows:

34 185.10 EX OFFICIO MEMBERS.

35 The secretary, the dean of the college of agriculture of

1 Iowa State University of science and technology, and the  
2 director of the Iowa department of economic development, or  
3 their designees, and two representatives of first purchaser  
4 organizations appointed by the board shall serve on the board  
5 as nonvoting ex officio members. ~~The Iowa grain and feed~~  
6 ~~association and agri-industries shall each nominate two first~~  
7 ~~purchaser representatives, and the board shall appoint one~~  
8 ~~first purchaser representative from each set of nominations or~~  
9 ~~another first purchaser of its choice as the first purchaser~~  
10 ~~representatives on the board.~~

11 Sec. 22. Section 185.13, Code 1993, is amended by adding  
12 the following new subsection:

13 NEW SUBSECTION. 5. Periodically review or evaluate each  
14 program conducted pursuant to this chapter to ensure that the  
15 program contributes to one of the purposes of the board.

16 Sec. 23. Section 185.21, Code 1993, is amended to read as  
17 follows:

18 185.21 ASSESSMENT.

19 The board shall set the assessment rate. Assessments  
20 pursuant to the promotional order shall be paid into the  
21 soybean promotion fund established in section 185.26. An  
22 assessment shall not exceed one-cent-per-bushel-upon one-  
23 quarter of one percent of the net market price of the soybeans  
24 marketed in this state and sold to a first purchaser. The net  
25 market price is the sales price received by a producer for  
26 soybeans after adjustments for any premium or discount based  
27 on grading or quality factors. The rate of assessment shall  
28 be determined by the board but shall not be changed, once  
29 established, during a marketing year.

30 Sec. 24. Section 185.26, Code 1993, is amended to read as  
31 follows:

32 185.26 ~~DEPOSIT-OF-FUNDS~~ ADMINISTRATION OF MONEYS.

33 Assessments collected by the board from a sale of soybeans  
34 shall be deposited in a special fund known as the soybean  
35 promotion fund, in the office of the treasurer of state

1 ~~together with.~~ The fund may also contain any gifts, or any  
2 federal or state grant as may be received by the board, and  
3 placed in a special fund to be known as the soybean promotion  
4 fund. Moneys collected, deposited into the fund, and  
5 transferred to the board, as provided in this chapter, shall  
6 be subject to audit by the auditor of state. The treasurer of  
7 state shall periodically transfer moneys from the fund to the  
8 board for deposit into an account established by the board in  
9 a qualified financial institution. From moneys collected,  
10 deposited and transferred to the board as provided in this  
11 section, the board shall first pay the costs of referendums,  
12 elections and other expenses incurred in the administration of  
13 this chapter, ~~and thereafter~~ before moneys may be expended for  
14 the purpose of market development. ~~The fund shall be subject~~  
15 ~~at all times to warrants by the director of revenue and~~  
16 ~~finance, drawn upon the written requisition of the chairperson~~  
17 ~~of the board and attested to by the secretary of the board.~~

18 Sec. 25. Section 185.28, Code 1993, is amended to read as  
19 follows:

20 185.28 APPROPRIATION USE OF MONEYS.

21 All moneys ~~deposited in the soybean promotion fund~~  
22 collected, deposited, and transferred to the board as provided  
23 in this chapter, are appropriated and shall be used for the  
24 administration of this chapter by the board and for the  
25 payment of claims by the board based upon obligations incurred  
26 in the performance of board activities and functions ~~set forth~~  
27 provided in this chapter.

28 Sec. 26. Section 185.29, Code 1993, is amended to read as  
29 follows:

30 185.29 REMISSION OF EXCESS FUNDS.

31 After the board has paid the costs of elections,  
32 referendum, necessary board expenses and administrative costs  
33 ~~have been paid,~~ at least seventy-five percent of the remaining  
34 ~~funds in the soybean promotion fund~~ moneys collected,  
35 deposited in the fund, and transferred to the board as

1 provided in this chapter, shall be expended by the board for  
2 market development activities to-include, including developing  
3 and expanding new markets for soybeans and soybean products  
4 worldwide. The ~~funds-can~~ moneys shall only be used for  
5 research, promotion, and education in co-operation with  
6 qualified agencies who-are-equipped-to-do-this-kind-of-work.

7 Sec. 27. Section 185.30, Code 1993, is amended to read as  
8 follows:

9 185.30 BOND.

10 Every person occupying a position of trust under any  
11 provisions of this chapter shall ~~give~~ provide a bond in such  
12 an amount as-may-be required by the board~~7-the.~~ The premium  
13 for ~~which the bond~~ shall be paid out of moneys transferred  
14 from the soybean promotion fund to the board pursuant to  
15 section 185.26.

16 Sec. 28. Section 185.33, Code 1993, is amended by striking  
17 the section and inserting in lieu thereof the following:

18 185.33 REPORT.

19 The board shall each year prepare and submit a report  
20 summarizing the activities of the board under this chapter and  
21 the audit to the auditor of state and the secretary of  
22 agriculture. The report shall show all income, expenses, and  
23 other relevant information concerning fees collected and  
24 expended under the provisions of this chapter.

25 Sec. 29. Section 185C.1, Code 1993, is amended by adding  
26 the following new subsection:

27 NEW SUBSECTION. 12A. "Qualified financial institution"  
28 means a banking or savings institution which is authorized to  
29 receive deposits under the laws of this state, another state,  
30 or the United States, and which is a member of the federal  
31 deposit insurance corporation or the national credit union  
32 administration, or an affiliate of such an institution.

33 Sec. 30. Section 185C.1, subsection 13, Code 1993, is  
34 amended to read as follows:

35 13. "Sale" or "purchase" ~~includes-but-is-not-limited-to~~

1 may, to the extent determined by the board, include the pledge  
2 or other encumbrance of corn as security for a loan extended  
3 under a federal price support loan program. Actual delivery  
4 of the corn occurs when the corn is pledged or otherwise  
5 encumbered to secure the loan. The purchase price of the corn  
6 is the principal amount of the loan extended and the purchase  
7 invoice for the corn is the documentation required for  
8 extension of the loan.

9 Sec. 31. Section 185C.10, Code 1993, is amended to read as  
10 follows:

11 185C.10 EX OFFICIO MEMBERS.

12 The secretary, the dean of the college of agriculture of  
13 Iowa State University of science and technology, and the  
14 director of the Iowa department of economic development, or  
15 their designees, and two representatives of first purchaser  
16 organizations appointed by the board shall serve on the board  
17 as ex officio members. ~~The Iowa grain and feed association  
18 and agri-industries shall each nominate two first purchaser  
19 representatives, and the board shall appoint one first  
20 purchaser representative from each set of nominations or  
21 another first purchaser of its choice as the first purchaser  
22 representatives on the board.~~

23 Sec. 32. Section 185C.21, Code 1993, is amended to read as  
24 follows:

25 185C.21 STATE ASSESSMENT.

26 1. The board shall set the state assessment rate. State  
27 assessments collected pursuant to the promotional order shall  
28 be paid into the corn promotion fund established in section  
29 185C.26. Except as provided in subsection 2, a state  
30 assessment shall not exceed one-quarter of one cent per bushel  
31 upon corn marketed in this state. The rate of the state  
32 assessment shall be determined by the board ~~but shall not be  
33 changed, once established, during a marketing year. However,  
34 a board which has been reconstituted pursuant to section  
35 185C.8 may change the rate of the state assessment in the~~

1 marketing-year-in-which-the-board-is-reconstituted.

2 2. Upon request of the board, the secretary shall call a  
3 special referendum for producers to vote on whether to  
4 authorize an increase in the state assessment above one-  
5 quarter of one cent per bushel, notwithstanding subsection 1.  
6 The special referendum shall be conducted as provided in this  
7 chapter for referendum elections. However, the special  
8 referendum shall not affect the existence or length of the  
9 promotional order in effect. If a majority of the producers  
10 voting in the special referendum approve the increase, the  
11 board, ~~at the end of the marketing year,~~ may increase the  
12 assessment to the amount approved in the special referendum.  
13 However a state assessment shall not exceed one-half of one  
14 cent per bushel of corn marketed in this state.

15 Sec. 33. Section 185C.26, Code 1993, is amended to read as  
16 follows:

17 185C.26 DEPOSIT OF MONEYS.

18 State assessments collected by the board from a sale of  
19 corn shall be deposited in the office of the treasurer of  
20 state ~~together with~~ in a special fund known as the corn  
21 promotion fund. The fund may include any gifts, or any  
22 federal or state grant as may be received by the board, and  
23 placed in a special fund to be known as the corn promotion  
24 fund. Moneys collected, deposited in the fund, and  
25 transferred to the board as provided in this chapter, shall be  
26 subject to audit by the auditor of state. The treasurer of  
27 state shall periodically transfer moneys from the fund to the  
28 board for deposit into an account established by the board in  
29 a qualified financial institution. From moneys collected, the  
30 board shall first pay all the direct and indirect costs  
31 incurred by the secretary and the costs of referendums,  
32 elections, and other expenses incurred in the administration  
33 of this chapter, ~~and thereafter~~ before moneys may be expended  
34 for the purpose of market development. ~~The fund shall be~~  
35 ~~subject at all times to warrants by the director of revenue~~

1 and-financial-drawn-upon-the-written-requisition-of-the  
2 chairperson-of-the-board-and-attested-to-by-the-secretary-of  
3 the-board.

4 Sec. 34. Section 185C.28, Code 1993, is amended to read as  
5 follows:

6 185C.28 APPROPRIATION USE OF MONEYS.

7 Moneys deposited in the corn promotion fund and transferred  
8 to the board as provided in section 185C.26, including federal  
9 moneys to the extent permitted by federal law, are  
10 appropriated and shall be used for the administration of this  
11 chapter and for the payment of claims based upon obligations  
12 incurred in the performance of activities and functions set  
13 forth provided in this chapter.

14 Sec. 35. Section 185C.33, Code 1993, is amended by  
15 striking the section and inserting in lieu thereof the  
16 following:

17 185C.33 REPORT.

18 The board shall each year prepare and submit a report  
19 summarizing the activities of the board under this chapter and  
20 the audit to the auditor of state and the secretary of  
21 agriculture. The report shall show all income, expenses, and  
22 other relevant information concerning fees collected and  
23 expended under the provisions of this chapter.

24 Sec. 36. Section 196A.1, Code 1993, is amended by adding  
25 the following new subsection:

26 NEW SUBSECTION. 9. "Qualified financial institution"  
27 means a banking or savings institution which is authorized to  
28 receive deposits under the laws of this state, another state,  
29 or the United States, and which is a member of the federal  
30 deposit insurance corporation or the national credit union  
31 administration, or an affiliate of such institution.

32 Sec. 37. Section 196A.17, Code 1993, is amended to read as  
33 follows:

34 196A.17 EGG-FUND ADMINISTRATION OF MONEYS.

35 Subject to the provisions of section 196A.15, the tax

1 imposed by this chapter shall be remitted by the purchaser to  
2 the Iowa egg council not later than thirty days following each  
3 calendar quarter during which the tax was collected. Amounts  
4 collected from the tax shall be deposited in the office of the  
5 treasurer of state in a separate fund to be known as the Iowa  
6 egg fund. The treasurer of state shall periodically transfer  
7 moneys from the fund to the council for deposit into an  
8 account established by the council in a qualified financial  
9 institution.

10 Sec. 38. Section 196A.19, Code 1993, is amended to read as  
11 follows:

12 196A.19 USE OF EGG-FUND MONEYS.

13 All moneys deposited in the Iowa egg fund and transferred  
14 to the council as provided in section 196A.17, are  
15 appropriated and shall be used for the administration of this  
16 chapter and for the payment of claims based upon obligations  
17 incurred in the performance of activities and functions set  
18 forth in this chapter.

19 Moneys collected ~~under the authority of,~~ deposited in the  
20 fund, and transferred to the council as provided in this  
21 chapter are subject to audit by the auditor of state. The  
22 moneys transferred to the council, shall be used by the Iowa  
23 egg council first for the payment of collection expenses,  
24 second for payment of the costs and expenses arising in  
25 connection with conducting referendums, and third for market  
26 development. Moneys remaining ~~in the Iowa egg fund~~ after a  
27 referendum is held when a majority of the voters do not favor  
28 extending the tax shall continue to be expended in accordance  
29 with this chapter until exhausted.

30 Sec. 39. Section 196A.21, Code 1993, is amended to read as  
31 follows:

32 196A.21 BOND REQUIRED.

33 All persons holding positions of trust under this chapter  
34 shall ~~give~~ provide a bond in ~~the~~ an amount required by the  
35 council. The premiums for bond costs shall be paid from the

1 moneys transferred from the Iowa egg fund to the council as  
2 provided in section 196A.17.

3 Sec. 40. Section 196A.25, Code 1993, is amended by  
4 striking the section and inserting in lieu thereof the  
5 following:

6 196A.25 REPORT.

7 The council shall each year prepare and submit a report  
8 summarizing the activities of the council under this chapter  
9 and the audit each year to the auditor of state and the  
10 secretary of agriculture. The report shall show all income,  
11 expenses, and other relevant information concerning fees  
12 collected and expended under the provisions of this chapter.

13 Sec. 41. REPEALS. Sections 184A.7 and 196A.20, Code 1993,  
14 are repealed.

15 Sec. 42. EFFECTIVE DATE. This Act takes effect on July 1,  
16 1995.

17 EXPLANATION

18 This bill amends a number of chapters relating to  
19 organizations established by the Code and authorized to  
20 collect and spend moneys assessed on the sale of agricultural  
21 commodities on behalf of agricultural producers. These  
22 organizations include the Iowa dairy industry commission, the  
23 Iowa beef cattle producers association, the Iowa pork  
24 producers council, the Iowa turkey marketing council, the Iowa  
25 soybean promotion board, the Iowa corn promotion board, and  
26 the Iowa egg council.

27 Currently, the Code chapters provide that moneys collected  
28 in assessments must be deposited with the treasurer of state  
29 into special funds. Moneys in the funds are subject to  
30 warrants by the director of revenue and finance, drawn upon  
31 the written requisition of the organization. This bill  
32 provides that the moneys which are deposited with the  
33 treasurer of state are to be periodically transferred to the  
34 organization for deposit into an account established by the  
35 organization in a qualified financial institution. The bill

1 provides for annual reports to the secretary of agriculture  
2 and the auditor of state.

3 The bill amends other provisions in chapter 185 which  
4 establishes the Iowa soybean promotion board. The bill amends  
5 provisions relating to the appointment of ex officio members  
6 to serve on the board, the review of programs supported by the  
7 board, and the assessment rate. The bill amends provisions in  
8 chapter 185C which establishes the Iowa corn promotion board.  
9 The bill provides that the board may determine the extent to  
10 which a pledge or other encumbrance of corn used as security  
11 for a loan extended under a general price support loan can be  
12 considered a sale or purchase. The bill also provides that a  
13 rate of assessment may be changed by the board within the same  
14 marketing year.

15 The bill takes effect on July 1, 1995.

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## SENATE FILE 2285

H-5679

1 Amend Senate File 2285, as passed by the Senate, as  
2 follows:

3 1. Page 1, by striking lines 4 through 8 and  
4 inserting the following: "means a bank, credit union,  
5 or savings and loan as defined in section 12C.1."

6 2. Page 1, by striking lines 26 through 29 and  
7 inserting the following: "chapter. Funds The  
8 department of revenue and finance shall transfer  
9 moneys from the fund to the commission for deposit  
10 into an account established by the commission in a  
11 qualified financial institution. The department shall  
12 transfer the moneys as provided in a resolution  
13 adopted by the commission. However, the department is  
14 only required to transfer moneys once during each day  
15 and only during hours when the offices of the state  
16 are open. Moneys deposited in the dairy-industry".

17 3. By striking page 2, line 34 through page 3,  
18 line 3, and inserting the following: "means a bank,  
19 credit union, or savings and loan as defined in  
20 section 12C.1."

21 4. Page 3, by striking lines 11 through 14 and  
22 inserting the following: "treasurer of state. The  
23 department of revenue and finance shall transfer  
24 moneys from the fund to the executive committee for  
25 deposit into an account established by the executive  
26 committee in a qualified financial institution. The  
27 department shall transfer the moneys as provided in a  
28 resolution adopted by the executive committee.  
29 However, the department is only required to transfer  
30 moneys once during each day and only during hours when  
31 the offices of the state are open. From the moneys".

32 5. Page 4, by striking lines 30 through 34 and  
33 inserting the following: "means a bank, credit union,  
34 or savings and loan as defined in section 12C.1."

35 6. Page 5, by striking lines 6 through 9, and  
36 inserting the following: "of the treasurer of state.  
37 The department of revenue and finance shall transfer  
38 moneys from the fund to the council for deposit into  
39 an account established by the council in a qualified  
40 financial institution. The department shall transfer  
41 the moneys as provided in a resolution adopted by the  
42 council. However, the department is only required to  
43 transfer moneys once during each day and only during  
44 hours when the offices of the state are open."

45 7. Page 6, by striking lines 21 through 25, and  
46 inserting the following: "means a bank, credit union,  
47 or savings and loan as defined in section 12C.1."

48 8. By striking page 6, line 33, through page 7,  
49 line 1, and inserting the following: "turkey  
50 account". The department of revenue and finance shall

H-5679

H-5679

Page 2

1 transfer moneys from the fund to the council for  
2 deposit into an account established by the council in  
3 a qualified financial institution. The department  
4 shall transfer the moneys as provided in a resolution  
5 adopted by the council. However, the department is  
6 only required to transfer moneys once during each day  
7 and only during hours when the offices of the state  
8 are open."

9 9. Page 8, by striking lines 27 through 31, and  
10 inserting the following: "means a bank, credit union,  
11 or savings and loan as defined in section 12C.1."

12 10. Page 9, by inserting after line 18 the  
13 following:

14 "An assessment adopted upon the initiation of a  
15 promotional order shall be collected during the  
16 effective period of the promotional order, and shall  
17 be of no force or effect upon termination of the  
18 promotional order."

19 11. Page 9, line 19, by inserting before the word  
20 "set" the following: "determine and".

21 12. Page 9, by striking lines 27 through 29, and  
22 inserting the following: "on grading or quality  
23 factors. The rate of assessment shall be determined  
24 by the board but shall not be changed, once  
25 established, during a marketing year. The board shall  
26 determine the effective date of a rate change."

27 13. Page 9, by inserting before line 30 the  
28 following:

29 "Sec. \_\_\_\_ . Section 185.24, Code 1993, is amended  
30 to read as follows:

31 185.24 CANCELLATION TERMINATION OF A PROMOTIONAL  
32 ORDER.

33 If a promotional order has been canceled is not  
34 extended as determined by a referendum, and the  
35 secretary and the board shall terminate the  
36 promotional order in an orderly manner as soon as  
37 practicable. After all funds are expended, the board  
38 shall cease to function. Any funds remaining one year  
39 following the termination of a promotional order shall  
40 be disbursed by the board to the Iowa Soybean  
41 Association. However, if a future referendum passes,  
42 the board shall be reorganized by the secretary and  
43 members shall serve out their terms as though there  
44 had been no lapse of time between effective orders.

45 Sec. \_\_\_\_ . Section 185.25, Code 1993, is amended to  
46 read as follows:

47 185.25 EFFECTIVE PERIOD OF PROMOTIONAL ORDER  
48 SPECIAL REFERENDUM -- PRODUCER PETITION.

49 An assessment adopted upon the initiation of a  
50 promotional order shall be collected during the

H-5679

-2-

H-5679

Page 3

~~1 effective-period-of-a-promotional-order, and shall be  
2 of-no-force-or-effect-upon-termination-of-a  
3 promotional-order. Upon-adoption-of-an-initial  
4 promotional-order, that promotional-order shall be  
5 effective-for-four-years-from-its-effective-date-and  
6 shall-be-either-extended-or-terminated-as-provided-in  
7 this-section.~~

8 Upon receipt of a petition not less than one  
9 hundred fifty nor more than two hundred forty days  
10 from a four-year anniversary of the effective date of  
11 an initial promotional order signed within that same  
12 period by a number of producers equal to or greater  
13 than one percent of the number of producers reported  
14 in the most recent United States census of  
15 agriculture, requesting a referendum to determine  
16 whether to extend the assessment promotional order,  
17 the secretary shall call a referendum to be conducted  
18 not earlier than thirty days before the four-year  
19 anniversary date. If the secretary determines that  
20 extension of the assessment promotional order is not  
21 favored by a majority of the producers voting in the  
22 referendum, ~~the secretary and the board shall~~  
23 ~~terminate the assessment in an orderly manner as soon~~  
24 ~~as practicable after the determination~~ promotional  
25 order shall be terminated as provided in section  
26 185.24. If the assessment promotional order is  
27 terminated, another referendum shall not be held  
28 within one hundred eighty days. A succeeding  
29 referendum shall be called by the secretary upon the  
30 petition of a number of producers equal to or greater  
31 than one percent of the number of producers reported  
32 in the most recent United States census of agriculture  
33 requesting a referendum, who shall guarantee the costs  
34 of the referendum.

35 If no valid petition is received by the secretary  
36 within the time period described above, or if a  
37 petition is received but the referendum to extend the  
38 assessment promotional order passes, the promotional  
39 order shall continue in effect for four additional  
40 years from the anniversary of its effective date  
41 ~~described above.~~

42 Sec. \_\_\_\_ . NEW SECTION. 185.25A SPECIAL  
43 REFERENDUM -- REQUEST BY THE BOARD.

44 1. If the assessment rate approved by producers in  
45 the most recent referendum election conducted pursuant  
46 to this chapter is less than the maximum rate  
47 established in section 185.21, the board may request  
48 the secretary to call a special referendum at any time  
49 prior to the expiration of the promotional order. The  
50 referendum shall be conducted as provided in this

H-5679

H-5679

Page 4

1 chapter for referendum elections.

2 2. Producers shall vote on the question, as  
3 determined by the board, of whether to authorize an  
4 increase in the assessment rate or whether to  
5 authorize an extension of the promotional order and an  
6 increase of the assessment rate. The assessment rate  
7 shall not exceed the rate established in section  
8 185.21.

9 a. If the secretary determines that the question  
10 of whether to authorize an increase in the assessment  
11 rate is approved in the special referendum, the rate  
12 of assessment shall be changed as provided in section  
13 185.21.

14 b. If the secretary determines that the question  
15 of whether to extend the promotional order at the  
16 increased assessment rate is approved in the special  
17 referendum, the promotional order shall continue in  
18 effect for four additional years from the anniversary  
19 of its effective date, and the rate of assessment  
20 shall be changed as provided in section 185.21. If  
21 the secretary determines that the question has not  
22 been approved, the promotional order shall be  
23 terminated as provided in section 185.24."

24 14. Page 10, by striking lines 6 through 9, and  
25 inserting the following: "be subject to audit by the  
26 auditor of state. The department of revenue and  
27 finance shall transfer moneys from the fund to the  
28 board for deposit into an account established by the  
29 board in a qualified financial institution. The  
30 department shall transfer the moneys as provided in a  
31 resolution adopted by the board. However, the  
32 department is only required to transfer moneys once  
33 during each day and only during hours when the offices  
34 of the state are open. From moneys collected,".

35 15. Page 11, by striking lines 28 through 32, and  
36 inserting the following: "means a bank, credit union,  
37 or savings and loan as defined in section 12C.1."

38 16. Page 12, line 26, by inserting before the  
39 word "set" the following: "determine and".

40 17. Page 12, by striking lines 31 and 32 and  
41 inserting the following: "upon corn marketed in this  
42 state. ~~The rate of the state assessment shall be~~  
43 determined by the board but shall not be".

44 18. Page 12, line 33, by inserting after the word  
45 "year" the following: "The board shall establish the  
46 effective date of a rate change".

47 19. Page 13, by striking lines 26 through 29, and  
48 inserting the following: "subject to audit by the  
49 auditor of state. The department of revenue and  
50 finance shall transfer moneys from the fund to the

R-5679

-4-

H-5679

Page 5

1 board for deposit into an account established by the  
2 board in a qualified financial institution. The  
3 department shall transfer the moneys as provided in a  
4 resolution adopted by the board. However, the  
5 department is only required to transfer moneys once  
6 during each day and only during hours when the offices  
7 of the state are open. From moneys collected, the".

8 20. Page 14, by striking lines 27 through 31 and  
9 inserting the following: "means a bank, credit union,  
10 or savings and loan as defined in section 12C.1."

11 21. Page 15, by striking lines 6 through 9 and  
12 inserting the following: "egg fund. The department  
13 of revenue and finance shall transfer moneys from the  
14 fund to the council for deposit into an account  
15 established by the council in a qualified financial  
16 institution. The department shall transfer the moneys  
17 as provided in a resolution adopted by the council.  
18 However, the department is only required to transfer  
19 moneys once during each day and only during hours when  
20 the offices of the state are open."

21 22. Page 16, by inserting after line 12 the  
22 following:

23 "Sec. \_\_\_\_ . Section 421.31, subsection 2, Code  
24 1993, is amended to read as follows:

25 2. PREAUDIT SYSTEM. To establish and fix a  
26 reasonable imprest cash fund for each state department  
27 and institution for disbursement purposes where  
28 needed. These revolving funds shall be reimbursed  
29 only upon vouchers approved by the director. It is  
30 the purpose of this subsection to establish a preaudit  
31 system of settling all claims against the state, but  
32 the preaudit system is not applicable to any of the  
33 institutions following:

34 a. Institutions under the control of the state  
35 board of regents. or-to-the

36 b. The state fair board as established in chapter  
37 173.

38 c. The Iowa dairy industry commission as  
39 established in chapter 179, the Iowa beef cattle  
40 producers association as established in chapter 181,  
41 the Iowa pork producers council as established in  
42 chapter 183A, the Iowa turkey marketing council as  
43 established in chapter 184A, the Iowa soybean  
44 promotion board as established in chapter 185, the  
45 Iowa corn promotion board as established in chapter  
46 185C, and the Iowa egg council as established in  
47 chapter 196A.

48 Sec. \_\_\_\_ . Section 421.31, Code 1993, is amended by  
49 adding the following new subsection:

50 NEW SUBSECTION. 6A. ENTITIES REPRESENTING

H-5679

-5-

H-5679

Page 6

1 AGRICULTURAL PRODUCERS. To control the financial  
2 operations of the Iowa dairy industry commission as  
3 provided in chapter 179, the Iowa beef cattle  
4 producers association as provided in chapter 181, the  
5 Iowa pork producers council as provided in chapter  
6 183A, the Iowa turkey marketing council as provided in  
7 chapter 184A, the Iowa soybean promotion board as  
8 provided in chapter 185, the Iowa corn promotion board  
9 as provided in chapter 185C, and the Iowa egg council  
10 as provided in chapter 196A."

11 23. Page 16, by striking lines 15 and 16.

12 24. Title page, lines 3 and 4, by striking the  
13 words "assessments, and providing an effective date"  
14 and inserting the following: "assessments".

By COMMITTEE ON AGRICULTURE

EDDIE of Buena Vista, Chairperson

H-5679 FILED MARCH 24, 1994

SENATE FILE 2285  
FISCAL NOTE

A fiscal note for Senate File 2285 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2285 provides for the administration, collection, deposit, and transfer of moneys, and assessments for agricultural commodity organizations.

FISCAL IMPACT:

The Bill will transfer money from the commodity organizations funds within the State Treasury to a qualified financial institution's account. The Bill will reduce General Fund interest revenue by \$100,000 in FY 1995.

Source:

Treasurer of the State  
Department of Revenue and Finance

(LSB 4192sv, DHK)

FILED MARCH 15, 1994

BY DENNIS PROUTY, FISCAL DIRECTOR

SSB 2246

McLaren-Chair  
Fraise  
Hester

Agriculture  
N<sup>o</sup>  
2285

SENATE FILE  
BY (PROPOSED COMMITTEE ON  
AGRICULTURE BILL BY CHAIR-  
PERSON PRIEBE)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to agricultural commodity organizations, by  
2 providing for their administration, the collection, deposit,  
3 and transfer of moneys, and assessments, and providing an  
4 effective date.

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

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1 Section 1. Section 179.1, Code 1993, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 7A. "Qualified financial institution"  
4 means a banking or savings institution which is authorized to  
5 receive deposits under the laws of this state, another state,  
6 or the United States, and which is a member of the federal  
7 deposit insurance corporation or the national credit union  
8 administration, or an affiliate of such an institution.

9 Sec. 2. Section 179.5, subsection 3, Code 1993, is amended  
10 to read as follows:

11 3. All taxes levied and imposed under this chapter and  
12 other contributions made to the dairy industry commission,  
13 shall be paid to and collected by the commission within thirty  
14 days after the end of the month during which the milk was  
15 marketed. The commission shall remit the taxes and other  
16 contributions to the treasurer of the state each quarter, and  
17 at the same time render to the director of revenue and finance  
18 an itemized and verified report showing the source from which  
19 the taxes and voluntary contributions were obtained. All  
20 taxes and voluntary contributions received, collected and  
21 remitted shall be placed in a special fund by the treasurer of  
22 state and the director of revenue and finance, to be known as  
23 the "Dairy Industry Fund" to be used by the Iowa dairy  
24 industry commission for the purposes set out in this chapter  
25 and to administer and enforce the laws relative to this  
26 chapter. Funds The treasurer of state shall periodically  
27 transfer moneys from the fund to the commission for deposit  
28 into an account established by the commission in a qualified  
29 financial institution. Moneys deposited in the dairy-industry  
30 fund and transferred to the commission as provided in this  
31 section are appropriated and shall be used for the purpose of  
32 carrying out the provisions of this chapter.

33 Sec. 3. Section 179.8, Code 1993, is amended to read as  
34 follows:

35 179.8 PAYMENT OF EXPENSES -- LIMITATION.

1 No part of the expense incurred by the commission shall be  
2 paid out of ~~any-funds~~ moneys in the state treasury except ~~said~~  
3 moneys transferred to the commission from the dairy industry  
4 ~~fund which shall be subject at all times to the warrant of the~~  
5 ~~director of revenue and finance, drawn upon written~~  
6 ~~requisition of the chairperson of the commission and attested~~  
7 ~~by the secretary.~~ Moneys transferred from the fund to the  
8 commission, as provided in section 179.5, shall be used for  
9 the payment of all salaries, and other expenses necessary, to  
10 carry out the provisions of this chapter, ~~but.~~ However, in no  
11 event shall the total expenses therefor exceed the total taxes  
12 collected and ~~deposited to the credit of said~~ transferred from  
13 the fund to the commission.

14 No more than five percent of the excise tax collected and  
15 received by the commission pursuant to section 179.5 shall be  
16 utilized for administrative expenses of the commission.

17 Sec. 4. Section 179.10, Code 1993, is amended by striking  
18 the section and inserting in lieu thereof the following:

19 179.10 REPORT.

20 The commission shall each year prepare and submit a report  
21 summarizing the activities of the commission under this  
22 chapter and the audit to the auditor of state and the  
23 secretary of agriculture. The report shall show all income,  
24 expenses, and other relevant information concerning fees  
25 collected and expended under this chapter.

26 Sec. 5. Section 181.2, subsection 7, Code 1993, is amended  
27 to read as follows:

28 7. ~~Make~~ Prepare an annual report of the ~~proceedings and~~  
29 ~~expenditures to the secretary of agriculture~~ as provided in  
30 section 181.18B.

31 Sec. 6. Section 181.6, Code 1993, is amended by adding the  
32 following new subsection:

33 NEW SUBSECTION. 4. "Qualified financial institution"  
34 means a banking or savings institution which is authorized to  
35 receive deposits under the laws of this state, another state,

1 or the United States, and which is a member of the federal  
2 deposit insurance corporation or the national credit union  
3 administration, or an affiliate of such institution.

4 Sec. 7. Section 181.13, Code 1993, is amended to read as  
5 follows:

6 181.13 FUND ADMINISTRATION OF MONEYS.

7 All excise taxes imposed and levied under this chapter  
8 shall be paid to and collected by the executive committee and  
9 deposited with the treasurer of state in a separate cattle and  
10 veal calf fund which ~~is hereby~~ shall be created by the  
11 treasurer of state. The treasurer of state shall periodically  
12 transfer moneys from the fund to the executive committee for  
13 deposit into an account established by the executive committee  
14 in a qualified financial institution. From the moneys  
15 collected, deposited, and transferred to the executive  
16 committee, in accordance with the provisions of this chapter,  
17 the executive committee shall first pay the costs of  
18 referendums held pursuant hereto to this chapter; the costs of  
19 collection of such excise tax, the expenses of its agents and  
20 expenses of officers provided for in section 181.5. Except as  
21 otherwise provided in section 181.19, at least thirty percent  
22 of the funds-remaining-thereafter remaining moneys shall be  
23 remitted to the national livestock and meat board and the beef  
24 industry council thereof, and at least ten percent of the  
25 remaining funds shall be remitted to the Iowa beef cattle  
26 producers association in such proportions as-the determined by  
27 the executive committee may-determine, for use by-them in a  
28 manner not inconsistent with section 181.7. The remaining  
29 moneys received, with approval of a majority of the executive  
30 committee, shall be expended as found the executive committee  
31 finds necessary to carry out the provisions and purposes of  
32 this chapter. The-cattle-and-veal-calf-fund-shall-be-subject  
33 at-all-times-to-warrants-by-the-director-of-revenue-and  
34 finance, drawn-upon-the-written-requisition-of-the-chairperson  
35 of-the-executive-committee-and-attested-to-by-its-secretary,

1 ~~for-the-payment-of-all-expenditures-of-the-committee,-which~~  
2 ~~shall,-at-no-time,-exceed-the-amount-deposited-to-the-credit~~  
3 ~~of-such-fund.~~ However, in no event shall the total expenses  
4 exceed the total amount transferred from the fund for use by  
5 the executive committee.

6 All moneys deposited in the cattle and veal calf fund and  
7 transferred to the executive committee pursuant to this  
8 section are appropriated and shall be used for the  
9 administration of this chapter and for the payment of claims  
10 based upon obligations incurred in the performance of  
11 activities and functions set forth in this chapter.

12 Sec. 8. Section 181.16, Code 1993, is amended to read as  
13 follows:

14 181.16 MONEYS REMAINING IN FUND.

15 If any extension referendum fails to carry, moneys  
16 remaining in the cattle and veal calf fund or transferred to  
17 the executive committee, shall continue to be transferred and  
18 expended in accordance with the provisions of this chapter  
19 until exhausted.

20 Sec. 9. NEW SECTION. 181.18B REPORT.

21 The executive committee shall each year prepare and submit  
22 a report summarizing the activities of the executive committee  
23 under this chapter and the audit to the auditor of state and  
24 the secretary of agriculture. The report shall show all  
25 income, expenses, and other relevant information concerning  
26 fees collected and expended under this chapter.

27 Sec. 10. Section 183A.1, Code 1993, is amended by adding  
28 the following new subsection:

29 NEW SUBSECTION. 9. "Qualified financial institution"  
30 means a banking or savings institution which is authorized to  
31 receive deposits under the laws of this state, another state,  
32 or the United States, and which is a member of the federal  
33 deposit insurance corporation or the national credit union  
34 administration, or an affiliate of such an institution.

35 Sec. 11. Section 183A.7, Code 1993, is amended to read as

1 follows:

2 183A.7 FUND ADMINISTRATION OF MONEYS.

3 Assessments imposed under this chapter paid to and col-  
4 lected by the Iowa pork producers council shall be deposited  
5 in the pork promotion fund which is established in the office  
6 of the treasurer of state. The treasurer of state shall  
7 periodically transfer moneys from the fund to the council for  
8 deposit into an account established by the council in a  
9 qualified financial institution.

10 All moneys deposited in the pork promotion fund and  
11 transferred to the council as provided in this section are  
12 appropriated and shall be used for the administration of this  
13 chapter and for the payment of claims based upon obligations  
14 incurred in the performance of activities and functions set  
15 forth in this chapter.

16 From the moneys collected, deposited, and transferred to  
17 the council as provided in this chapter, the council shall  
18 first pay the costs of referendums held pursuant to this  
19 chapter. Of the funds moneys remaining, at least ten percent  
20 shall be remitted to the national livestock and meat board and  
21 the pork industry group; thereof, at least twenty-five percent  
22 shall be remitted to the national pork producers council; and  
23 at least fifteen percent shall be remitted to the Iowa pork  
24 producers association, in the proportion the committee  
25 determines, for use by recipients in a manner not inconsistent  
26 with market development as defined in section 183A.1. Moneys  
27 remaining ~~in-the-fund~~ shall be spent as found necessary by the  
28 council to further carry out the provisions and purposes of  
29 this chapter.

30 ~~The pork promotion fund shall be subject at all times to~~  
31 ~~warrants by the director of revenue and finance, drawn upon~~  
32 ~~the written requisition of the chair of the council attested~~  
33 ~~to by its secretary, for payment of expenditures of the~~  
34 ~~council, which shall, at no time, exceed the amount deposited~~  
35 ~~in the fund.~~ However, in no event shall the total expenses

1 exceed the total amount of moneys transferred from the fund  
2 for use by the council.

3 Sec. 12. Section 183A.11, Code 1993, is amended to read as  
4 follows:

5 183A.11 AUDIT.

6 Moneys collected, ~~under-authority-of~~ deposited in the fund,  
7 and transferred to the council, as provided in this chapter  
8 shall be supervised by a certified public accountant employed  
9 by the council using generally accepted accounting principles  
10 and shall be subject to audit by the auditor of state.

11 Sec. 13. NEW SECTION. 183A.12A REPORT.

12 The council shall prepare and submit a report summarizing  
13 the activities of the council under this chapter and the audit  
14 each year to the auditor of state and the secretary of  
15 agriculture. The report shall show all income, expenses, and  
16 other relevant information concerning fees collected and  
17 expended under the provisions of this chapter.

18 Sec. 14. Section 184A.1, Code 1993, is amended by adding  
19 the following new subsection:

20 NEW SUBSECTION. 4A. "Qualified financial institution"  
21 means a banking or savings institution which is authorized to  
22 receive deposits under the laws of this state, another state,  
23 or the United States, and which is a member of the federal  
24 deposit insurance corporation or the national credit union  
25 administration, or an affiliate of such an institution.

26 Sec. 15. Section 184A.4, Code 1993, is amended to read as  
27 follows:

28 184A.4 ~~DEPOSIT-OF-FEE~~ ADMINISTRATION OF MONEYS.

29 The fee imposed by this chapter shall be paid by the  
30 processor to the Iowa turkey marketing council. Amounts  
31 collected from the fees shall be deposited with the treasurer  
32 of state in a separate special fund to be known as the "Iowa  
33 turkey account". The treasurer of state shall periodically  
34 transfer moneys from the fund to the council for deposit into  
35 an account established by the council in a qualified financial

1 institution.

2 Sec. 16. Section 184A.6, Code 1993, is amended to read as  
3 follows:

4 184A.6 USE OF ~~FUNDS~~ MONEYS.

5 After payment of expenses, in accordance with section  
6 184A.9 ~~all-moneys-in-the-iowa-turkey-account~~ the council may  
7 ~~be-used-by-the-iowa-turkey-marketing-council~~ use moneys  
8 transferred to the council as provided in this chapter which  
9 are appropriated and shall be used for the administration of  
10 this chapter, and for payment of claims based upon obligations  
11 incurred in market development on behalf of the turkey  
12 industry ~~and-such-moneys-are-hereby-appropriated-for-such~~  
13 purposes.

14 Sec. 17. Section 184A.9, Code 1993, is amended to read as  
15 follows:

16 184A.9 AUDIT.

17 Moneys collected ~~under-authority-of,~~ deposited in the fund,  
18 and transferred to the council, as provided in this chapter  
19 shall be subject to audit by the auditor of state and. The  
20 moneys shall be used by the council first for the payment of  
21 collection expenses and for payment of the costs and expenses  
22 arising in connection with conducting any required  
23 referendums, and secondly by the turkey marketing council for  
24 market development.

25 Sec. 18. Section 184A.17, Code 1993, is amended by  
26 striking the section and inserting in lieu thereof the  
27 following:

28 184A.17 REPORT.

29 The council shall prepare and submit a report summarizing  
30 the activities of the council under this chapter and the audit  
31 each year to the auditor of state and the secretary of  
32 agriculture. The report shall show all income, expenses, and  
33 other relevant information concerning fees collected and  
34 expended under the provisions of this chapter.

35 Sec. 19. Section 185.1, subsections 6 and 11, Code 1993,

1 are amended to read as follows:

2 6. "Market development" means to engage in research and  
3 educational programs directed toward better and more efficient  
4 production and utilization of soybeans; to provide methods and  
5 means, including but not limited to, public relations and  
6 other promotion techniques for the maintenance of present  
7 markets; to provide for the development of new or larger  
8 domestic and foreign markets; and to provide for the  
9 prevention, modification, or elimination of trade barriers  
10 which obstruct the free flow of soybeans.

11 11. "Sale" or "purchase" includes but is not limited to  
12 the pledge or other encumbrance of soybeans as security for a  
13 loan extended under a federal price support loan program.  
14 Actual Sale and actual delivery of the soybeans under the  
15 federal price support loan program occurs when the soybeans  
16 are pledged-or-otherwise-encumbered-to-secure-the-loan  
17 marketed following redemption by the producer or when the  
18 soybeans are forfeited in lieu of loan repayment. ~~The~~ If the  
19 soybeans are forfeited in lieu of repayment, the purchase  
20 price of the soybeans is the principal amount of the loan  
21 extended and the purchase-invoice-for-the-soybeans-is-the  
22 documentation-required-for-extension-of-the-loan assessment  
23 shall be collected at the time of loan settlement.

24 Sec. 20. Section 185.1, Code 1993, is amended by adding  
25 the following new subsection:

26 NEW SUBSECTION. 10A. "Qualified financial institution"  
27 means a banking or savings institution which is authorized to  
28 receive deposits under the laws of this state, another state,  
29 or the United States, and which is a member of the federal  
30 deposit insurance corporation or the national credit union  
31 administration, or an affiliate of such institution.

32 Sec. 21. Section 185.10, Code 1993, is amended to read as  
33 follows:

34 185.10 EX OFFICIO MEMBERS.

35 The secretary, the dean of the college of agriculture of

1 Iowa State University of science and technology, and the  
2 director of the Iowa department of economic development, or  
3 their designees, and two representatives of first purchaser  
4 organizations appointed by the board shall serve on the board  
5 as nonvoting ex officio members. ~~The Iowa grain and feed  
6 association and agri-industries shall each nominate two first  
7 purchaser representatives, and the board shall appoint one  
8 first purchaser representative from each set of nominations or  
9 another first purchaser of its choice as the first purchaser  
10 representatives on the board.~~

11 Sec. 22. Section 185.13, Code 1993, is amended by adding  
12 the following new subsection:

13 NEW SUBSECTION. 5. Periodically review or evaluate each  
14 program conducted pursuant to this chapter to ensure that the  
15 program contributes to one of the purposes of the board.

16 Sec. 23. Section 185.21, Code 1993, is amended to read as  
17 follows:

18 185.21 ASSESSMENT.

19 The board shall set the assessment rate. Assessments  
20 pursuant to the promotional order shall be paid into the  
21 soybean promotion fund established in section 185.26. An  
22 assessment shall not exceed one-cent-per-bushel-upon one-  
23 quarter of one percent of the net market price of the soybeans  
24 marketed in this state and sold to a first purchaser. The net  
25 market price is the sales price received by a producer for  
26 soybeans after adjustments for any premium or discount based  
27 on grading or quality factors. The rate of assessment shall  
28 be determined by the board but shall not be changed, once  
29 established, during a marketing year.

30 Sec. 24. Section 185.26, Code 1993, is amended to read as  
31 follows:

32 185.26 DEPOSIT-OF-FUNDS ADMINISTRATION OF MONEYS.

33 Assessments collected by the board from a sale of soybeans  
34 shall be deposited in a special fund known as the soybean  
35 promotion fund, in the office of the treasurer of state

1 ~~together-with.~~ The fund may also contain any gifts, or any  
 2 federal or state grant ~~as-may-be~~ received by the board, ~~and~~  
 3 ~~placed-in-a-special-fund-to-be-known-as-the-soybean-promotion~~  
 4 ~~fund.~~ Moneys collected, deposited into the fund, and  
 5 transferred to the board, as provided in this chapter, shall  
 6 be subject to audit by the auditor of state. The treasurer of  
 7 state shall periodically transfer moneys from the fund to the  
 8 board for deposit into an account established by the board in  
 9 a qualified financial institution. From moneys collected,  
 10 deposited and transferred to the board as provided in this  
 11 section, the board shall first pay the costs of referendums,  
 12 elections and other expenses incurred in the administration of  
 13 this chapter, ~~and-thereafter~~ before moneys may be expended for  
 14 the purpose of market development. ~~The-fund-shall-be-subject~~  
 15 ~~at-all-times-to-warrants-by-the-director-of-revenue-and~~  
 16 ~~finance,-drawn-upon-the-written-requisition-of-the-chairperson~~  
 17 ~~of-the-board-and-attested-to-by-the-secretary-of-the-board.~~

18 Sec. 25. Section 185.28, Code 1993, is amended to read as  
 19 follows:

20 185.28 APPROPRIATION USE OF MONEYS.

21 All moneys ~~deposited-in-the-soybean-promotion-fund~~  
 22 collected, deposited, and transferred to the board as provided  
 23 in this chapter, are appropriated and shall be used for the  
 24 administration of this chapter by the board and for the  
 25 payment of claims by the board based upon obligations incurred  
 26 in the performance of board activities and functions ~~set-ferth~~  
 27 provided in this chapter.

28 Sec. 26. Section 185.29, Code 1993, is amended to read as  
 29 follows:

30 185.29 REMISSION OF EXCESS FUNDS.

31 After the board has paid the costs of elections,  
 32 referendum, necessary board expenses and administrative costs  
 33 ~~have-been-paid,~~ at least seventy-five percent of the remaining  
 34 ~~funds-in-the-soybean-promotion-fund~~ moneys collected,  
 35 deposited in the fund, and transferred to the board as

1 provided in this chapter, shall be expended by the board for  
2 market development activities ~~to-include,~~ including developing  
3 and expanding new markets for soybeans and soybean products  
4 worldwide. ~~The funds-can moneys shall~~ only be used for  
5 research, promotion, and education in co-operation with  
6 qualified agencies who-are-equipped-to-do-this-kind-of-work.

7 Sec. 27. Section 185.30, Code 1993, is amended to read as  
8 follows:

9 185.30 BOND.

10 Every person occupying a position of trust under any  
11 provisions of this chapter shall ~~give~~ provide a bond in such  
12 an amount as-may-be required by the board~~7-the.~~ The premium  
13 for which the bond shall be paid out of moneys transferred  
14 from the soybean promotion fund to the board pursuant to  
15 section 185.26.

16 Sec. 28. Section 185.33, Code 1993, is amended by striking  
17 the section and inserting in lieu thereof the following:

18 185.33 REPORT.

19 The board shall each year prepare and submit a report  
20 summarizing the activities of the board under this chapter and  
21 the audit to the auditor of state and the secretary of  
22 agriculture. The report shall show all income, expenses, and  
23 other relevant information concerning fees collected and  
24 expended under the provisions of this chapter.

25 Sec. 29. Section 185C.1, Code 1993, is amended by adding  
26 the following new subsection:

27 NEW SUBSECTION. 12A. "Qualified financial institution"  
28 means a banking or savings institution which is authorized to  
29 receive deposits under the laws of this state, another state,  
30 or the United States, and which is a member of the federal  
31 deposit insurance corporation or the national credit union  
32 administration, or an affiliate of such an institution.

33 Sec. 30. Section 185C.1, subsection 13, Code 1993, is  
34 amended to read as follows:

35 13. "Sale" or "purchase" ~~includes-but-is-not-limited-te~~

1 may, to the extent determined by the board, include the pledge  
2 or other encumbrance of corn as security for a loan extended  
3 under a federal price support loan program. Actual delivery  
4 of the corn occurs when the corn is pledged or otherwise  
5 encumbered to secure the loan. The purchase price of the corn  
6 is the principal amount of the loan extended and the purchase  
7 invoice for the corn is the documentation required for  
8 extension of the loan.

9 Sec. 31. Section 185C.10, Code 1993, is amended to read as  
10 follows:

11 185C.10 EX OFFICIO MEMBERS.

12 The secretary, the dean of the college of agriculture of  
13 Iowa State University of science and technology, and the  
14 director of the Iowa department of economic development, or  
15 their designees, and two representatives of first purchaser  
16 organizations appointed by the board shall serve on the board  
17 as ex officio members. ~~The-Iowa-grain-and-feed-association  
18 and-agri-industries-shall-each-nominate-two-first-purchaser  
19 representatives, and the board shall appoint one first  
20 purchaser-representative-from-each-set-of-nominations-or  
21 another-first-purchaser-of-its-choice-as-the-first-purchaser  
22 representatives-on-the-board.~~

23 Sec. 32. Section 185C.21, Code 1993, is amended to read as  
24 follows:

25 185C.21 STATE ASSESSMENT.

26 1. The board shall set the state assessment rate. State  
27 assessments collected pursuant to the promotional order shall  
28 be paid into the corn promotion fund established in section  
29 185C.26. Except as provided in subsection 2, a state  
30 assessment shall not exceed one-quarter of one cent per bushel  
31 upon corn marketed in this state. The rate of the state  
32 assessment shall be determined by the board ~~but-shall-not-be  
33 changed, once-established, during-a-marketing-year. However,  
34 a-board-which-has-been-reconstituted-pursuant-to-section  
35 185C.8 may change the rate of the state assessment in the~~

1 marketing-year-in-which-the-board-is-reconstituted-

2 2. Upon request of the board, the secretary shall call a  
3 special referendum for producers to vote on whether to  
4 authorize an increase in the state assessment above one-  
5 quarter of one cent per bushel, notwithstanding subsection 1.  
6 The special referendum shall be conducted as provided in this  
7 chapter for referendum elections. However, the special  
8 referendum shall not affect the existence or length of the  
9 promotional order in effect. If a majority of the producers  
10 voting in the special referendum approve the increase, the  
11 board~~7-at-the-end-of-the-marketing-year7~~ may increase the  
12 assessment to the amount approved in the special referendum.  
13 However a state assessment shall not exceed one-half of one  
14 cent per bushel of corn marketed in this state.

15 Sec. 33. Section 185C.26, Code 1993, is amended to read as  
16 follows:

17 185C.26 DEPOSIT OF MONEYS.

18 State assessments collected by the board from a sale of  
19 corn shall be deposited in the office of the treasurer of  
20 state ~~together-with~~ in a special fund known as the corn  
21 promotion fund. The fund may include any gifts, or any  
22 federal or state grant ~~as-may-be~~ received by the board~~7-and~~  
23 ~~placed-in-a-special-fund-to-be-known-as-the-corn-promotion~~  
24 fund. Moneys collected, deposited in the fund, and  
25 transferred to the board as provided in this chapter, shall be  
26 subject to audit by the auditor of state. The treasurer of  
27 state shall periodically transfer moneys from the fund to the  
28 board for deposit into an account established by the board in  
29 a qualified financial institution. From moneys collected, the  
30 board shall first pay all the direct and indirect costs  
31 incurred by the secretary and the costs of referendums,  
32 elections, and other expenses incurred in the administration  
33 of this chapter, ~~and-thereafter~~ before moneys may be expended  
34 for the purpose of market development. ~~The-fund-shall-be~~  
35 ~~subject-at-all-times-to-warrants-by-the-director-of-revenue~~

1 and-finance, drawn-upon-the-written-requisition-of-the  
2 chairperson-of-the-board-and-attested-to-by-the-secretary-of  
3 the-board.

4 Sec. 34. Section 185C.28, Code 1993, is amended to read as  
5 follows:

6 185C.28 APPROPRIATION USE OF MONEYS.

7 Moneys deposited in the corn promotion fund and transferred  
8 to the board as provided in section 185C.26, including federal  
9 moneys to the extent permitted by federal law, are  
10 appropriated and shall be used for the administration of this  
11 chapter and for the payment of claims based upon obligations  
12 incurred in the performance of activities and functions set  
13 forth provided in this chapter.

14 Sec. 35. Section 185C.33, Code 1993, is amended by  
15 striking the section, and inserting in lieu thereof the  
16 following:

17 185C.33 REPORT.

18 The board shall each year prepare and submit a report  
19 summarizing the activities of the board under this chapter and  
20 the audit to the auditor of state and the secretary of  
21 agriculture. The report shall show all income, expenses, and  
22 other relevant information concerning fees collected and  
23 expended under the provisions of this chapter.

24 Sec. 36. Section 196A.1, Code 1993, is amended by adding  
25 the following new subsection:

26 NEW SUBSECTION. 9. "Qualified financial institution"  
27 means a banking or savings institution which is authorized to  
28 receive deposits under the laws of this state, another state,  
29 or the United States, and which is a member of the federal  
30 deposit insurance corporation or the national credit union  
31 administration, or an affiliate of such institution.

32 Sec. 37. Section 196A.17, Code 1993, is amended to read as  
33 follows:

34 196A.17 EGG-FUND ADMINISTRATION OF MONEYS.

35 Subject to the provisions of section 196A.15, the tax

1 imposed by this chapter shall be remitted by the purchaser to  
2 the Iowa egg council not later than thirty days following each  
3 calendar quarter during which the tax was collected. Amounts  
4 collected from the tax shall be deposited in the office of the  
5 treasurer of state in a separate fund to be known as the Iowa  
6 egg fund. The treasurer of state shall periodically transfer  
7 moneys from the fund to the council for deposit into an  
8 account established by the council in a qualified financial  
9 institution.

10 Sec. 38. Section 196A.19, Code 1993, is amended to read as  
11 follows:

12 196A.19 USE OF EGG-FUND MONEYS.

13 All moneys deposited in the Iowa egg fund and transferred  
14 to the council as provided in section 196A.17, are  
15 appropriated and shall be used for the administration of this  
16 chapter and for the payment of claims based upon obligations  
17 incurred in the performance of activities and functions set  
18 forth in this chapter.

19 Moneys collected ~~under-the-authority-of,~~ deposited in the  
20 fund, and transferred to the council as provided in this  
21 chapter are subject to audit by the auditor of state. The  
22 moneys transferred to the council, shall be used by the Iowa  
23 egg council first for the payment of collection expenses,  
24 second for payment of the costs and expenses arising in  
25 connection with conducting referendums, and third for market  
26 development. Moneys remaining ~~in-the-Iowa-egg-fund~~ after a  
27 referendum is held when a majority of the voters do not favor  
28 extending the tax shall continue to be expended in accordance  
29 with this chapter until exhausted.

30 Sec. 39. Section 196A.21, Code 1993, is amended to read as  
31 follows:

32 196A.21 BOND REQUIRED.

33 All persons holding positions of trust under this chapter  
34 shall ~~give~~ provide a bond in the an amount required by the  
35 council. The premiums for bond costs shall be paid from the

1 moneys transferred from the Iowa egg fund to the council as  
2 provided in section 196A.17.

3 Sec. 40. Section 196A.25, Code 1993, is amended by  
4 striking the section and inserting in lieu thereof the  
5 following:

6 196A.25 REPORT.

7 The council shall each year prepare and submit a report  
8 summarizing the activities of the council under this chapter  
9 and the audit each year to the auditor of state and the  
10 secretary of agriculture. The report shall show all income,  
11 expenses, and other relevant information concerning fees  
12 collected and expended under the provisions of this chapter.

13 Sec. 41. REPEALS. Sections 184A.7 and 196A.20, Code 1993,  
14 are repealed.

15 Sec. 42. EFFECTIVE DATE. This Act takes effect on July 1,  
16 1995.

17 EXPLANATION

18 This bill amends a number of chapters relating to  
19 organizations established by the Code and authorized to  
20 collect and spend moneys assessed on the sale of agricultural  
21 commodities on behalf of agricultural producers. These  
22 organizations include the Iowa dairy industry commission, the  
23 Iowa beef cattle producers association, the Iowa pork  
24 producers council, the Iowa turkey marketing council, the Iowa  
25 soybean promotion board, the Iowa corn promotion board, and  
26 the Iowa egg council.

27 Currently, the Code chapters provide that moneys collected  
28 in assessments must be deposited with the treasurer of state  
29 into special funds. Moneys in the funds are subject to  
30 warrants by the director of revenue and finance, drawn upon  
31 the written requisition of the organization. This bill  
32 provides that the moneys which are deposited with the  
33 treasurer of state are to be periodically transferred to the  
34 organization for deposit into an account established by the  
35 organization in a qualified financial institution. The bill

1 provides for annual reports to the secretary of agriculture  
2 and the auditor of state.

3 The bill amends other provisions in chapter 185 which  
4 establishes the Iowa soybean promotion board. The bill amends  
5 provisions relating to the appointment of ex officio members  
6 to serve on the board, the review of programs supported by the  
7 board, and the assessment rate. The bill amends provisions in  
8 chapter 185C which establishes the Iowa corn promotion board.  
9 The bill provides that the board may determine the extent to  
10 which a pledge or other encumbrance of corn used as security  
11 for a loan extended under a general price support loan can be  
12 considered a sale or purchase. The bill also provides that a  
13 rate of assessment may be changed by the board within the same  
14 marketing year.

15 The bill takes effect on July 1, 1995.

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