

Senate File 2217

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1 3 AN ACT
1 4 RELATING TO ASSESSMENTS IMPOSED ON CATTLE FOR PURPOSES OF
1 5 PROMOTION, EDUCATION, AND RESEARCH, AND PROVIDING AN
1 6 EFFECTIVE DATE.
1 7
1 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
1 9
1 10 Section 1. Section 181.1, Code 2003, is amended by
1 11 striking the section and inserting in lieu thereof the
1 12 following:
1 13 181.1 DEFINITIONS.
1 14 As used in this chapter, unless the context requires
1 15 otherwise:
1 16 1. "Association" means the Iowa beef cattle producers
1 17 association.
1 18 2. "Cattle" means any live domesticated bovine animal
1 19 regardless of age.
1 20 3. "Council" means the Iowa beef industry council.
1 21 4. "Federal act" means the federal Beef Promotion and
1 22 Research Act of 1985, 7 U.S.C., } 2901 et seq.
1 23 5. "Federal assessment" means an excise tax on the sale of
1 24 bovine animals imposed pursuant to the federal act.
1 25 6. "Producer" means any person who owns or acquires
1 26 ownership of cattle. However, a person shall not be
1 27 considered a producer if any of the following apply:
1 28 a. The person's only share in the proceeds of a sale of
1 29 cattle or beef is a sales commission, handling fee, or other
1 30 service fee.
1 31 b. The person acquired ownership of cattle to facilitate
1 32 the transfer of ownership of such cattle from the seller to a
1 33 third party; resold such cattle no later than ten days from
1 34 the date on which the person acquired ownership; and certified
1 35 as required by rules adopted by the council.
2 1 7. "Qualified financial institution" means a bank, credit
2 2 union, or savings and loan as defined in section 12C.1.
2 3 8. "Records" means books, papers, documents, accounts,
2 4 agreements, memoranda, electronic records of accounts, or
2 5 correspondence relating to a matter regulated under this
2 6 chapter.
2 7 9. "Secretary" means the secretary of agriculture.
2 8 10. "State assessment" means an excise tax on the sale of
2 9 cattle imposed pursuant to this chapter.
2 10 Sec. 2. Section 181.2, Code 2003, is amended to read as
2 11 follows:
2 12 181.2 DUTIES AND OBJECTS OF ASSOCIATION.
2 13 The Iowa beef cattle producers association shall do all of
2 14 the following:
2 15 1. Aid in the promotion of the ~~beef~~ cattle industry of the
2 16 state.
2 17 2. Provide for practical and scientific instruction in the
2 18 breeding and raising of ~~beef~~ cattle.
2 19 3. ~~Provide for the inspection of herds, premises,~~
2 20 ~~appliances, methods, and feedstuffs used in the raising of~~
2 21 ~~beef cattle.~~
2 22 4. ~~Make demonstrations in the feeding of beef cattle and~~
2 23 ~~publish suggestions beneficial to such business.~~
2 24 5. ~~4.~~ Aid and promote ~~beef~~ cattle feeding contests, shows,
2 25 and sales.
2 26 6. ~~Publish a breeders' directory.~~
2 27 7. ~~5.~~ Prepare an annual report of the proceedings and
2 28 expenditures of the council as provided in section 181.18B.
2 29 Sec. 3. Section 181.3, subsection 1, unnumbered paragraph
2 30 1, Code 2003, is amended to read as follows:
2 31 An ~~executive committee~~ Iowa beef industry council of the
2 32 Iowa beef cattle producers association is created. The
2 33 ~~executive committee~~ council consists of eight members, ~~as~~
2 34 ~~follows including all of the following~~:
2 35 Sec. 4. Section 181.3, subsections 2 through 4, Code 2003,
3 1 are amended to read as follows:
3 2 2. The Iowa livestock auction market association shall
3 3 nominate two livestock market representatives. The secretary
3 4 of agriculture shall appoint one of the nominees or another
3 5 livestock market representative of the secretary's choice ~~as~~

3 6 the livestock market representative on the executive
3 7 ~~committee~~, who shall serve at the pleasure of the secretary.

3 8 3. The ~~executive committee council~~ shall elect a
3 9 chairperson, secretary, and other officers it deems necessary.

3 10 4. Except for ex officio members, vacancies in the
3 11 ~~executive committee council~~ resulting from death, inability or
3 12 refusal to serve, or failure to meet the qualifications of
3 13 this chapter, shall be filled by the ~~executive committee~~
3 14 ~~council~~. If the ~~executive committee council~~ fails to fill a
3 15 vacancy, the secretary of agriculture shall fill it. Vacancy
3 16 appointments shall be only for the remainder of the unexpired
3 17 term.

3 18 Sec. 5. Section 181.4, Code 2003, is amended to read as
3 19 follows:

3 20 181.4 EMPLOYEES OF ~~COMMITTEE~~ COUNCIL.

3 21 The ~~executive committee council~~ may employ two or more
3 22 competent persons who shall devote their entire time, under
3 23 the direction of the ~~committee council~~, in carrying out the
3 24 provisions of this chapter. The salary of persons so employed
3 25 shall be set by the ~~executive committee council~~, and the
3 26 persons shall hold office at the pleasure of the ~~executive~~
3 27 ~~committee council~~.

3 28 Sec. 6. Section 181.6A, Code 2003, is amended to read as
3 29 follows:

3 30 181.6A ELECTION OF ~~EXECUTIVE COMMITTEE~~ COUNCIL.

3 31 1. The Iowa beef cattle producers association shall hold
3 32 an annual meeting of producers. An election shall be held at
3 33 the annual meeting, as necessary, for election of producers to
3 34 the ~~executive committee council~~.

3 35 2. Prior to the annual meeting, the ~~Iowa beef cattle~~
4 1 ~~producers association~~ shall appoint a nominating committee.
4 2 At least sixty days prior to the annual meeting of the ~~Iowa~~
4 3 ~~beef cattle producers~~ association, the nominating committee
4 4 shall nominate two producers as candidates for each position
4 5 on the ~~executive committee council~~ for which an election is to
4 6 be held. At least forty-five days prior to the annual meeting
4 7 of the ~~Iowa beef cattle producers~~ association, additional
4 8 candidates may be nominated by a written petition of fifty
4 9 producers. Procedures governing the place of filing and the
4 10 contents of the petition shall be promulgated and publicized
4 11 by the ~~executive committee council~~.

4 12 3. Producers attending the annual meeting of the ~~Iowa beef~~
4 13 ~~cattle producers~~ association may vote for one nominee for each
4 14 position on the ~~executive committee council~~ for which an
4 15 election is held. Producers not attending the annual meeting
4 16 of the ~~Iowa beef cattle producers~~ association may vote by
4 17 absentee ballot, if the ballot is requested and mailed, with
4 18 proper postage, to the ~~executive committee council~~ prior to
4 19 the annual meeting of the ~~Iowa beef cattle producers~~
4 20 association. For each position for which an election is held,
4 21 the candidate receiving the highest number of votes shall be
4 22 elected.

4 23 4. Notice of election for ~~executive committee council~~
4 24 membership shall be given by the ~~executive committee council~~
4 25 by publication in a newspaper of general circulation in the
4 26 state and in any other reasonable manner as determined by the
4 27 ~~executive committee council~~, and shall set forth the date,
4 28 time, and place of the annual meeting of the ~~Iowa beef cattle~~
4 29 ~~producers association~~. The ~~executive committee council~~ shall
4 30 administer the elections, with the assistance of the secretary
4 31 of agriculture.

4 32 Sec. 7. Section 181.7, Code 2003, is amended to read as
4 33 follows:

4 34 181.7 RESEARCH AND EDUCATIONAL PROGRAMS.

4 35 The ~~executive committee council~~ shall ~~engage in~~ initiate,
5 1 administer, or participate in research and education programs
5 2 directed toward the better and more efficient production,
5 3 marketing promotion, and utilization of cattle and veal calves
5 4 and the marketing of products made therefrom; from cattle.
5 5 The council shall provide for the methods and means that it
5 6 determines are necessary to further the purposes of this
5 7 section including, but not limited to, public any of the
5 8 following:

5 9 1. Providing public relations and other promotion
5 10 techniques for the maintenance of present markets; make.

5 11 2. Making donations to nonprofit organizations working
5 12 toward furthering the purposes of this section; assist.

5 13 3. Assisting in the development of new or larger domestic
5 14 markets both domestic and foreign for cattle and veal calves
5 15 and products made therefrom from cattle.

5 16 4. Assisting in the development of new or larger foreign

5 17 markets for cattle and products made from cattle.

5 18 Sec. 8. Section 181.7A, Code 2003, is amended to read as
5 19 follows:

5 20 181.7A COLLECTION COMMENCEMENT OF FEDERAL ASSESSMENT ==
5 21 SUSPENSION AND RECOMMENCEMENT OF THE STATE ASSESSMENT.

5 22 1. Prior to the commencement of the collection of the
5 23 federal assessment pursuant to the Beef Promotion and Research
5 24 Act of 1985, the executive committee council may seek
5 25 certification as a qualified state beef council within the
5 26 meaning of that the federal Act. If the executive committee
5 27 does not receive certification as a qualified state beef
5 28 council it shall, if necessary to prevent collection of an
5 29 excise tax on beef cattle in addition to the national
5 30 assessment, suspend the collection of the excise tax provided
5 31 in this chapter. If the executive committee does suspend
5 32 collection of the excise tax provided in this chapter, the
5 33 period of that suspension terminates upon expiration of the

5 34 2. The council shall suspend the state assessment upon
5 35 collection of the federal assessment. The state assessment
6 1 shall recommence upon the earlier of the following:

6 2 a. The noncollection of the federal assessment collected
6 3 pursuant to the Beef Promotion and Research Act of 1985. The
6 4 recommenced state assessment shall be imposed for a four-year
6 5 period. Its effective date shall be the first date for which
6 6 the federal assessment is not collected.

6 7 b. The passage of a special referendum pursuant to section
6 8 181.19 regardless of whether a federal assessment is being
6 9 collected.

6 10 Sec. 9. Section 181.8, Code 2003, is amended to read as
6 11 follows:

6 12 181.8 EXAMINING BOOKS AND PAPERS ENTERING PREMISES ==
6 13 EXAMINING RECORDS.

6 14 The executive committee shall have power to council may
6 15 authorize its agents to enter at a reasonable time upon the
6 16 premises of any purchaser charged by this chapter with
6 17 remitting the state assessment to the committee the excise tax
6 18 council, and to cause to be examined by such agent or agents,
6 19 all books, examine records, documents, and other instruments
6 20 bearing upon relating to the amount collection of such excise
6 21 tax; provided, however, that the state assessment. However,
6 22 the executive committee council must first have reasonable
6 23 grounds to believe that all such excise taxes have the state
6 24 assessment has not been remitted or fully accounted for, as
6 25 herein provided.

6 26 The executive committee is authorized to council may enter
6 27 into arrangements with persons purchasing cattle and veal
6 28 calves for slaughter outside of Iowa on the basis provided in
6 29 section 181.9, this state for remitting the excise tax state
6 30 assessment by such buyers purchasers.

6 31 Sec. 10. NEW SECTION. 181.11 RATE OF ASSESSMENT.

6 32 A state assessment imposed as provided in this chapter
6 33 shall be levied and collected from the purchaser on each sale
6 34 of cattle at a rate provided in this chapter. The state
6 35 assessment shall be imposed on any person selling cattle and
7 1 shall be deducted by the purchaser from the price paid to the
7 2 seller. The purchaser, at the time of the sale, shall make
7 3 and deliver to the seller, a separate invoice for each sale
7 4 showing the names and addresses of the seller and the
7 5 purchaser, the number of cattle sold, and the date of sale.
7 6 The purchaser shall forward the state assessment to the
7 7 council at a time prescribed by the council, but not later
7 8 than the last day of the month following the end of the prior
7 9 reporting period in which the cattle are sold.

7 10 Sec. 11. Section 181.12, Code 2003, is amended to read as
7 11 follows:

7 12 181.12 REMISSION OF TAX STATE ASSESSMENT ON APPLICATION.

7 13 A person from whom the excise tax a state assessment is
7 14 collected may, by written application filed with the executive
7 15 committee council within sixty days after its collection, have
7 16 the amount remitted to the person by the executive committee
7 17 council. The information that the excise tax state assessment
7 18 is refundable and the address of the executive committee
7 19 council to which application for a refund may be made shall
7 20 appear on the invoice of sale form supplied by the purchaser
7 21 to the producer near the area on the form which shows the
7 22 amount of the excise tax state assessment paid. The executive
7 23 committee council shall furnish uniform application for refund
7 24 forms and envelopes properly addressed to the executive
7 25 committee council to each purchaser charged by this chapter
7 26 with remitting the excise tax state assessment in sufficient
7 27 number to make the refund forms and envelopes readily

7 28 available to all producers. A purchaser charged by this
7 29 chapter with remitting the ~~excise tax state assessment~~ shall
7 30 display the application for refund forms and envelopes in a
7 31 prominent position in its place of business and make them
7 32 readily available to all producers.

7 33 Sec. 12. Section 181.13, Code Supplement 2003, is amended
7 34 to read as follows:

7 35 181.13 ADMINISTRATION OF MONEYS ORIGINATING FROM STATE
8 1 ASSESSMENT == APPROPRIATION.

8 2 1. All ~~excise taxes imposed and levied state assessments~~
8 3 ~~imposed~~ under this chapter shall be paid to and collected by
8 4 the ~~executive committee council~~ and deposited with the
8 5 treasurer of state in a separate cattle ~~and veal calf~~
8 6 ~~promotion~~ fund which shall be created by the treasurer of
8 7 state. The department of administrative services shall
8 8 transfer moneys from the fund to the ~~executive committee~~
8 9 ~~council~~ for deposit into an account established by the
8 10 ~~executive committee council~~ in a qualified financial
8 11 institution. The department shall transfer the moneys as
8 12 provided in a resolution adopted by the ~~executive committee~~
8 13 ~~council~~. However, the department is only required to transfer
8 14 moneys once during each day and only during hours when the
8 15 offices of the state are open. From the moneys collected,
8 16 deposited, and transferred to the ~~executive committee council,~~
8 17 in accordance with the provisions of this chapter, the
8 18 ~~executive committee council~~ shall first pay the costs of
8 19 referendums held pursuant to this chapter, the costs of
8 20 collection of such ~~excise tax state assessments, and the~~
8 21 expenses of its agents ~~and expenses of officers provided for~~
8 22 in section 181.5. Except as otherwise provided in section
8 23 181.19, at least ten percent of the remaining ~~funds moneys~~
8 24 shall be remitted to the ~~Iowa beef cattle producers~~
8 25 association in proportions determined by the ~~executive~~
8 26 ~~committee council~~, for use in a manner not inconsistent with
8 27 section 181.7. The remaining moneys, with approval of a
8 28 majority of the ~~executive committee council~~, shall be expended
8 29 as the ~~executive committee council~~ finds necessary to carry
8 30 out the provisions and purposes of this chapter. However, in
8 31 no event shall the total expenses exceed the total amount
8 32 transferred from the fund for use by the ~~executive committee~~
8 33 ~~council~~.

8 34 2. All moneys deposited in the cattle ~~and veal calf~~
8 35 ~~promotion~~ fund and transferred to the ~~executive committee~~
9 1 ~~council~~ pursuant to this section are appropriated and shall be
9 2 used for the administration of this chapter and for the
9 3 payment of claims based upon obligations incurred in the
9 4 performance of activities and functions set forth in this
9 5 chapter.

9 6 3. If the state assessment is suspended as provided in
9 7 section 181.7A or a continuance referendum fails to pass as
9 8 provided in section 181.19A, moneys remaining in the cattle
9 9 ~~promotion fund~~ and transferred to the council shall continue
9 10 to be transferred and expended in accordance with the
9 11 provisions of this chapter until exhausted.

9 12 Sec. 13. Section 181.15, Code 2003, is amended to read as
9 13 follows:

9 14 181.15 ~~IMPOSITION FOR ADDITIONAL PERIOD REFERENDUM~~ ==
9 15 ~~PROCEDURES~~.

9 16 Upon receiving a petition to conduct a referendum as
9 17 provided in section 181.19 or 181.19A, the secretary shall
9 18 conduct the referendum as follows:

9 19 1. The secretary shall provide for the publication of a
9 20 notice of the referendum for a period of not less than five
9 21 days in a newspaper of general circulation in the state and in
9 22 such other newspapers as the secretary may prescribe. The
9 23 notice of referendum shall set forth the period for voting and
9 24 the voting places for the referendum and the amount of the
9 25 state assessment. A referendum shall not be commenced prior
9 26 to fourteen days after the last day of such period of
9 27 publication.

9 28 2. Each producer upon signing a statement certifying that
9 29 the person is a bona fide producer, ~~as defined in this~~
9 30 ~~chapter~~, shall be entitled to one vote. At the close of the
9 31 referendum period, the secretary shall count and tabulate the
9 32 ballots filed during the referendum period. ~~The ballots cast~~
9 33 ~~in the referendum shall constitute complete and conclusive~~
9 34 evidence for use in any determination made by the secretary
9 35 under the provisions of this chapter.

10 1 3. The secretary shall tabulate the ballots to determine
10 2 whether the referendum has passed. If from such tabulation
10 3 the secretary ~~finds~~ determines that a majority of the total

10 4 number of producers voting ~~favor~~ approves the assessment
10 5 imposition of a state assessment, the ~~excise tax provided for~~
~~10 6 in section 181.9~~ state assessment shall be ~~levied and imposed~~
10 7 ~~for an additional four years from the end of the previous~~
~~10 8 taxing period as provided in section 181.11 at a rate provided~~
10 9 ~~for in section 181.19.~~

10 10 4. ~~The ballots thus cast shall constitute complete and~~
~~10 11 conclusive evidence for use in any finding made by the~~
~~10 12 secretary under the provisions of this chapter.~~ The secretary
10 13 may prescribe such additional procedures as may be necessary
10 14 to conduct a referendum.

10 15 ~~In the event of the failure of any referendum provided for~~
~~10 16 herein to pass, a subsequent referendum may be called by the~~
~~10 17 secretary upon petition therefor by at least one hundred~~
~~10 18 producers within one hundred eighty days after the secretary's~~
~~10 19 determination that the prior referendum has failed. In the~~
~~10 20 event of failure to make such petition within said period, or,~~
~~10 21 the second consecutive failure of a referendum to pass, no~~
~~10 22 further referendum shall be conducted and the levy and~~
~~10 23 assessment herein created shall terminate and be of no further~~
~~10 24 force or effect.~~

10 25 Sec. 14. Section 181.18B, Code 2003, is amended to read as
10 26 follows:

10 27 181.18B REPORT.

10 28 ~~The executive committee~~ Each year, the council shall ~~each~~
~~10 29 year~~ prepare and submit a report summarizing the activities of
10 30 ~~the executive committee~~ council under this chapter to the
10 31 auditor of state and the secretary of agriculture. The report
10 32 shall show all income, expenses, and other relevant
10 33 information concerning fees collected and expended under this
10 34 chapter.

10 35 Sec. 15. Section 181.19, Code 2003, is amended by striking
11 1 the section and inserting in lieu thereof the following:

11 2 181.19 INITIAL AND SPECIAL REFERENDUMS.

11 3 1. The secretary shall, upon the petition of five hundred
11 4 producers, conduct an initial referendum to determine whether
11 5 a state assessment is to be imposed, at a rate established by
11 6 the council, of not to exceed fifty cents per head on all
11 7 cattle sold for any purpose.

11 8 2. The secretary shall, upon the petition of five hundred
11 9 producers, conduct a special referendum to do any of the
11 10 following:

11 11 a. Determine whether a state assessment already imposed
11 12 shall be increased to a rate, established by the council, not
11 13 to exceed one dollar per head on all cattle sold for any
11 14 purpose.

11 15 b. Determine whether a state assessment suspended pursuant
11 16 to section 181.7A is to be in addition to a federal
11 17 assessment. The state assessment shall be imposed at a rate
11 18 of fifty cents per head on all cattle sold for whatever
11 19 purpose.

11 20 3. If a referendum passes, the secretary shall establish
11 21 an effective date to commence the state assessment. However,
11 22 the state assessment must be commenced within ninety days from
11 23 the date that the secretary determines that the referendum has
11 24 passed.

11 25 4. If a special referendum to increase the rate of the
11 26 state assessment does not pass, the result of the special
11 27 referendum shall not affect the existence or length of the
11 28 state assessment in effect on the date that the special
11 29 referendum was conducted.

11 30 Sec. 16. NEW SECTION. 181.19A CONTINUANCE REFERENDUM.

11 31 1. The secretary shall, upon the petition of producers,
11 32 conduct a continuance referendum to determine whether a state
11 33 assessment should be renewed. The secretary must receive the
11 34 petition not less than one hundred fifty and not more than two
11 35 hundred forty days before the four-year anniversary of a state
12 1 assessment's effective date. The petition must be signed
12 2 within that period by a number of producers equal to or
12 3 greater than two percent of the number of producers in this
12 4 state reported in the most recent United States census of
12 5 agriculture, requesting a referendum to determine whether to
12 6 continue the state assessment. The referendum shall be
12 7 conducted not earlier than thirty days before the four-year
12 8 anniversary date of the state assessment.

12 9 2. If the secretary determines that a continuance
12 10 referendum has passed, the state assessment shall continue in
12 11 effect for four additional years from the anniversary of its
12 12 effective date.

12 13 3. If the secretary determines that the referendum has not
12 14 passed, the secretary and the council shall terminate the

12 15 assessment in an orderly manner as soon as practicable after
12 16 the determination. Another referendum shall not be held for
12 17 at least one hundred eighty days from the date that the
12 18 assessment is terminated.

12 19 4. If no valid petition for a continuance referendum is
12 20 received by the secretary within the time period provided in
12 21 this section, the state assessment shall continue in effect
12 22 for four additional years from the anniversary of its
12 23 effective date.

12 24 Sec. 17. RATE OF ASSESSMENT. If a state assessment which
12 25 has been suspended as provided in section 181.7A, as amended
12 26 by this Act, is recommenced as provided in that section, as
12 27 amended by this Act, the rate of the state assessment shall be
12 28 fifty cents per head on all cattle sold for any purpose,
12 29 unless another rate is established by referendum conducted
12 30 pursuant to section 181.19, as amended by this Act.

12 31 Sec. 18. Sections 181.9, 181.10, 181.14, and 181.16, Code
12 32 2003, are repealed.

12 33 Sec. 19. EFFECTIVE DATE. This Act, being deemed of
12 34 immediate importance, takes effect upon enactment.

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JEFFREY M. LAMBERTI
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 2217, Eightieth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2004

THOMAS J. VILSACK
Governor