

FILED APR 9 1975

SENATE FILE 449

By COMMITTEE ON AGRICULTURE

Passed Senate, Date 5-23-75 (1560) Passed House, Date 5-11-76 (p.2606)

Vote: Ayes 34 Nays 8 Vote: Ayes 58 Nays 37

Approved 5-28-76

Repassed Senate per House amendment

5-18-76 (p. 2029)

42-4

A BILL FOR

1 An Act relating to the establishment of a corn promotion fund
2 to receive assessments made on the sale of corn, to establish
3 an Iowa corn promotion board, to provide for a referendum
4 among corn producers, and to provide penalties.

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

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H-5001

1 Amend Senate File 449, as passed by the Senate,
2 as follows:

3 1. Page 1, line 12, by inserting after the word
4 "corn" the words ", including the development of corn
5 products for human consumption".

6 2. Page 4, line 30, by inserting after the word
7 "products" the words ", including the development
8 of corn products for human consumption".

9 3. Page 8, line 8, by inserting after the period
10 the following: "Not less than fifteen percent of
11 the moneys expended for market development on an
12 annual basis shall be expended for the development
13 of corn products for human consumption."

H-5001 FILED - *Lost* 5/11 (2602) BY SVOBODA of Iowa
JANUARY 14, 1976

1 Section 1. NEW SECTION. DEFINITIONS. As used in this
2 Act:

3 1. "Secretary" means the secretary of agriculture.
4 2. "Board" means the Iowa corn promotion board estab-
5 lished by this Act.
6 3. "Promotional order" means an order administered pur-
7 suant to this Act which establishes a program for the promo-
8 tion, research and market development of corn and provides
9 for an assessment to finance the program.
10 4. "Market development" means to engage in research and
11 educational programs directed toward better and more efficient
12 utilization of corn; to provide methods and means, including
13 but not limited to, public relations and other promotion
14 techniques for the maintenance of present markets; to provide
15 for the development of new or larger domestic and foreign
16 markets; and to provide for the prevention, modification,
17 or elimination of trade barriers which obstruct the free flow
18 of corn.
19 5. "Producer" means any individual, firm, corporation,
20 partnership, or association engaged in this state in the
21 business of producing and marketing in their name at least
22 two hundred fifty bushels of corn in the previous market-
23 ing year.
24 6. "First purchaser" means any person, corporation,
25 association, cooperative, partnership, commercial buyer,
26 dealer, or processor who resells corn purchased from a pro-
27 ducer or offers for sale any product produced from such corn
28 for any purpose.
29 7. "Marketing year" means the twelve-month period begin-
30 ning the first day of September and ending on the following
31 thirty-first day of August.
32 8. "District" means an official crop reporting district
33 formed by the United States department of agriculture and
34 set out in the annual farm census published by the Iowa
35 department of agriculture.

1 9. "Corn" means and includes all kinds of varieties of
2 corn grown in this state and marketed or sold as corn by the
3 producer.

4 10. "Bushel" means fifty-six pounds of corn by weight.

5 11. "Assessment" means an excise tax on each bushel of
6 corn raised and sold in this state as provided in this Act.

7 Sec. 2. NEW SECTION. PETITION FOR ELECTION. Upon receipt
8 of a petition signed by at least five hundred producers
9 requesting an initial referendum election to determine whether
10 a promotional order shall be placed in effect, the secretary
11 shall call an initial referendum election to be conducted
12 within sixty days following receipt of the petition. Producers
13 shall vote by written ballot in the manner provided by this
14 Act for referendum elections.

15 Sec. 3. NEW SECTION. ESTABLISHMENT OF CORN PROMOTION
16 BOARD. If a majority of the producers voting in the referen-
17 dum election approve the passage of the promotional order,
18 an Iowa corn promotion board shall be established. The board
19 shall consist of one director elected from each district in
20 the state, except that a district producing more than an
21 average of one hundred million bushels of corn in the three
22 previous marketing years is entitled to two directors.

23 Sec. 4. NEW SECTION. INITIAL BOARD. For the initial
24 board, the secretary shall notify the Iowa corn growers as-
25 sociation, mentioned in section one hundred fifty-nine point
26 twenty-five (159.25) of the Code, immediately after approval
27 of a promotional order at the referendum election and the
28 association shall nominate two candidates for each position
29 as director. Additional candidates may be nominated by written
30 petition of twenty-five producers. Procedures governing the
31 time and place of filing petitions shall be established and
32 publicized by the secretary. Candidates shall be resident
33 producers of the district from which they are nominated.
34 The secretary shall receive the nominations, and shall call
35 an election for members of the initial board within thirty

1 days following passage of the promotional order.

2 Sec. 5. NEW SECTION. NOTICE OF ELECTION. Notice of the
3 initial election for directors of the board shall be given
4 by the secretary by publication in a newspaper of general
5 circulation in the state at least five days prior to the date
6 of the election and in any other reasonable manner as may
7 be determined by the secretary. The notice shall set forth
8 the period of time for voting, voting places, and such other
9 information as the secretary may deem necessary.

10 Notice of subsequent elections for directors of the board
11 in a district shall be given by the board by publication in
12 a newspaper of general circulation in the district and in
13 any other reasonable manner as may be determined by the board
14 and shall set forth the period of time for voting, voting
15 places, and such other information as the board may deem
16 necessary.

17 Sec. 6. NEW SECTION. ELECTION OF DIRECTORS. In dis-
18 tricts electing one director, the candidate receiving the
19 highest number of votes shall be elected. In districts
20 electing two directors, producers shall vote for two directors,
21 and the two candidates receiving the highest number of votes
22 shall be elected.

23 Sec. 7. NEW SECTION. TERMS OF DIRECTORS. Director terms
24 shall be for three years and no director of the board shall
25 serve for more than three complete consecutive terms.

26 The terms of office for the initial board shall be deter-
27 mined by lot. As nearly as possible one-third of the di-
28 rectors shall serve for one year, one-third of the directors
29 shall serve for two years, and one-third of the directors
30 shall serve for three years. The initial board shall not
31 contain two directors from the same district serving the same
32 term.

33 Sec. 8. NEW SECTION. FUTURE ELECTIONS. After election
34 of the initial board, the board shall administer subsequent
35 elections for directors of the board with the assistance of

1 the secretary. Prior to the expiration of a director's term
2 of office, the board shall appoint a nominating committee
3 for the district represented by such director. The nominating
4 committee shall consist of five producers who are residents
5 of the district from which a director must be elected. The
6 nominating committee shall nominate two resident producers
7 as candidates for each director position for which an elec-
8 tion is to be held. Additional candidates may be nominated
9 by a written petition of twenty-five producers. Procedures
10 governing the time and place of filing shall be promulgated
11 and publicized by the board.

12 Sec. 9. NEW SECTION. VACANCIES. The board shall by
13 appointment fill an unexpired term if a vacancy occurs in
14 the board.

15 Sec. 10. NEW SECTION. EX OFFICIO MEMBERS. The secre-
16 tary, the dean of the college of agriculture of Iowa state
17 university of science and technology, and the director of
18 the Iowa development commission, or their designees, and two
19 representatives of first purchaser organizations shall serve
20 on the board as ex officio members. One each of the two first
21 purchaser representatives shall be appointed by, and serve
22 at the pleasure of, the Iowa grain and feed association and
23 the farmers grain dealers association of Iowa.

24 Sec. 11. NEW SECTION. PURPOSE OF THE BOARD. The purposes
25 of the board shall be to:

26 1. Enter into contracts or agreements with recognized
27 and qualified agencies or organizations for the development
28 and carrying out of research and education programs directed
29 toward better and more efficient production, marketing, and
30 utilization of corn and corn products.

31 2. Provide methods and means, including, but not limited
32 to, public relations and other promotion techniques for the
33 maintenance of present markets.

34 3. Assist in development of new or larger markets, both
35 domestic and foreign, for corn and corn products.

1 4. Work for prevention, modification, or elimination of
2 trade barriers which obstruct the free flow of corn and corn
3 products to market.

4 Sec. 12. NEW SECTION. OFFICERS. The board shall:

- 5 1. Elect a chairman and other officers as advisable.
- 6 2. Administer this Act, and perform all acts reasonably
7 necessary to effectuate the purposes of this Act.

8 Sec. 13. NEW SECTION. POWERS AND DUTIES. The board may:

- 9 1. Employ and discharge assistants and professional coun-
10 sel as necessary, prescribe their duties and powers, and fix
11 their compensation.
- 12 2. Establish offices, incur expenses, and enter into any
13 contracts or agreements necessary to carry out the purposes
14 of this Act.
- 15 3. Adopt, rescind, and amend all proper and necessary
16 rules for the exercise of is powers and duties.

17 4. Enter into arrangements for collection of the assess-
18 ment on Iowa grown corn from persons purchasing corn outside
19 of Iowa.

20 Sec. 14. NEW SECTION. PER DIEM AND EXPENSES. Each member
21 of the board shall receive thirty dollars per day and actual
22 expenses in performing official board functions not to exceed
23 forty days per year. No member of the board shall be a
24 salaried employee of the board or any organization or agency
25 which is receiving funds from the board. The board shall
26 meet at least once every three months, and at such other times
27 as deemed necessary by the board.

28 Sec. 15. NEW SECTION. INITIAL MEETING. The initial board
29 shall meet and organize following the members' election, and
30 the promotional order, including the assessment, shall become
31 effective sixty days following the date of the election of
32 the board. A promotional order shall be effective for four
33 years from its effective date.

34 Sec. 16. NEW SECTION. NOTICE OF REFERENDUM. Notice of
35 a referendum election to initiate or extend a promotional

1 order shall be given by publication in a newspaper of general
2 circulation in this state at least ten days prior to the date
3 of the referendum and in any other reasonable manner as may
4 be determined by the secretary for the initial referendum
5 and by the board for extension of the promotional order.

6 Sec. 17. NEW SECTION. CONTENTS OF NOTICE. The notice
7 of referendum shall set forth the period of time for voting,
8 voting places and such other information as the secretary
9 may deem necessary in an initial referendum. The board shall
10 make such determinations in any subsequent referendum.

11 Sec. 18. NEW SECTION. COUNTING. At the close of a refer-
12 endum voting period, the secretary shall count and tabulate
13 the ballots cast during the referendum period.

14 Sec. 19. NEW SECTION. EFFECT. The ballots shall
15 constitute conclusive evidence as to the validity of the
16 promotional order.

17 Sec. 20. NEW SECTION. PRODUCERS ONLY TO VOTE. Only pro-
18 ducers are eligible to vote in an election for directors or
19 a referendum election and only in the district in which they
20 reside. A producer shall sign an affidavit furnished by the
21 secretary at the time of voting certifying his eligibility
22 to vote. Each qualified producer shall be entitled to one
23 vote.

24 Sec. 21. NEW SECTION. ASSESSMENT. The board shall set
25 the assessment rate. Assessments pursuant to the promotional
26 order shall be paid into the corn promotion fund established
27 in section twenty-six (26) of this Act. An assessment shall
28 not exceed one-tenth of one cent per bushel upon corn produced
29 in this state and sold to a first purchaser. The rate of
30 assessment shall be determined by the board but shall not
31 be changed, once established, during a marketing year.

32 Sec. 22. NEW SECTION. PROMOTIONAL ORDER. After a pro-
33 motional order has been issued, the first purchaser at the
34 time of payment for corn shall show the total amount of as-
35 sessment deducted from the sale on the purchase invoice.

1 Sec. 23. NEW SECTION. DEDUCTION OF ASSESSMENT. The as-
2 essment shall be deducted from the purchase price of corn
3 at the time of sale, and forwarded to the secretary by the
4 first purchaser in the manner and at intervals determined
5 by the board.

6 Sec. 24. NEW SECTION. CANCELLATION OF ORDER. If a pro-
7 motional order has been canceled by a referendum, and all
8 funds expended, the board shall cease to function. Any funds
9 remaining one year following the termination of a promotional
10 order shall be disbursed by the secretary for corn market
11 development. However if a future referendum passes, the board
12 shall be reorganized by the secretary and members shall serve
13 out their terms as though there had been no lapse of time
14 between effective orders.

15 Sec. 25. NEW SECTION. ASSESSMENT NULLIFIED. An assess-
16 ment adopted upon the initiation of a promotional order shall
17 be of no force or effect upon termination of the promotional
18 order. At last sixty days but not more than one hundred
19 eighty days prior to the termination date of a promotional
20 order, the secretary shall cause notice to be published in
21 accordance with section sixteen (16) of this Act, and a
22 referendum on the question of whether a promotional order
23 shall be extended for an additional four-year period shall
24 be conducted. If the secretary finds that a majority of the
25 total number of producers voting favor the promotional order,
26 then the order shall continue to be in effect for an additional
27 four-year period. If a referendum should fail, another
28 referendum shall not be held within one hundred eighty days.
29 A succeeding referendum shall be called by the secretary upon
30 petition of at least one hundred producers requesting a
31 referendum.

32 Sec. 26. NEW SECTION. DEPOSIT OF FUNDS. Assessments
33 collected by the secretary from a sale of corn shall be de-
34 posited in the office of the treasurer of state together with
35 any gifts, or any federal or state grant as may be received

1 by the board, and placed in a special fund to be known as
2 the corn promotion fund. Moneys collected shall be subject
3 to audit by the auditor of state. From moneys collected,
4 the board shall first pay all the direct and indirect costs
5 incurred by the secretary and the costs of referendums,
6 elections and other expenses incurred in the administration
7 of this Act, and thereafter moneys may be expended for the
8 purpose of market development. The fund shall be subject
9 at all times to warrants by the state comptroller, drawn upon
10 the written requisition of the chairman of the board and
11 attested to by the secretary of the board.

12 Sec. 27. NEW SECTION. REFUND OF ASSESSMENT. A producer
13 who has sold corn and had an assessment deducted from the
14 sale price may, by application in writing to the secretary,
15 secure a refund in the amount deducted. The refund shall
16 be payable only when the application shall have been made
17 to the secretary within sixty days after the deduction.
18 Application forms shall be given by the board to each first
19 purchaser when requested and the first purchaser shall make
20 the applications available to any producer. Each application
21 for refund by a producer shall have attached thereto proof
22 of assessment deducted. The proof of assessment may be in
23 the form of a duplicate or certified copy of the purchase
24 invoice by the first purchaser. The secretary shall have
25 thirty days from the date the application for refund is re-
26 ceived to remit the refund to the producer.

27 Sec. 28. NEW SECTION. APPROPRIATION. All moneys de-
28 posited in the corn promotion fund are appropriated for the
29 administration of this Act and for the payment of claims based
30 upon obligations incurred in the performance of activities
31 and functions set forth in this Act.

32 Sec. 29. NEW SECTION. REMISSION OF EXCESS FUNDS. After
33 the costs of elections, referendum, necessary board expenses
34 and administrative costs have been paid, at least seventy-
35 five percent of the remaining funds in the corn promotion

1 fund shall be allocated to organizations selected by the corn
2 promotion board on the basis of their ability to carry out
3 the purposes of this Act. The funds can only be used for
4 research, promotion, and education in cooperation with agencies
5 who are equipped to do this kind of work.

6 The Iowa corn promotion board shall not engage in any
7 political activity, and it shall be a condition of any
8 allocation of funds that any organization receiving funds
9 shall not engage in political activity or attempt to influence
10 legislation except legislation or rules which would restrict
11 corn markets.

12 Sec. 30. NEW SECTION. BOND. Every person occupying a
13 position of trust under any provisions of this Act shall give
14 bond in such amount as may be required by the board, the pre-
15 mium for which shall be paid out of the corn promotion fund.

16 Sec. 31. NEW SECTION. PENALTY. It is a misdemeanor for
17 any person to willfully violate any provision of this Act
18 or for any person to willfully render or furnish a false or
19 fraudulent report, statement, or record required by the
20 secretary.

21 Sec. 32. NEW SECTION. FIRST PURCHASER INFORMATION. Every
22 first purchaser shall upon request furnish the secretary with
23 such information as is necessary to enable the secretary to
24 carry out the provisions of this Act. Such information shall
25 be provided as prescribed by the secretary. The secretary
26 may examine any records relating to the purchase, sale,
27 storage, processing, handling, or assessment of corn by any
28 first purchaser. The secretary may hold hearings, take
29 testimony, administer oaths, subpoena witnesses, and issue
30 subpoenas as may be necessary to carry out the provisions
31 of this Act.

32 Sec. 33. NEW SECTION. ANNUAL REPORT. The secretary shall
33 make an annual report on or before December first of each
34 year, showing all income and expenses and other relevant
35 information concerning assessments collected and expended

1 under the provisions of this Act.

2 Sec. 34. NEW SECTION. NOT A STATE AGENCY. The Iowa corn
3 promotion board is not a state agency.

4 EXPLANATION

5 This bill creates an Iowa Corn Promotion Board to promote
6 corn market development. A procedure is established for con-
7 ducting a referendum among corn producers of this state to
8 determine if the producers desire to have an assessment made
9 on corn sold in this state. If the referendum is favorable,
10 an assessment will be made on the first sale of corn. Any
11 corn producer can apply for a refund of the assessment, giving
12 protection for those who do not desire to participate in the
13 program. A procedure is also provided in the bill for discon-
14 tinuance of the program by petition and referendum vote of
15 the producers after a promotional order has been in effect
16 four years. The bill provides the same procedure as has been
17 established for soybean producers.

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SENATE FILE 449

H-5543

1 Amend Senate File 449 as passed by the Senate as
2 follows:

3 1. Page 2, line 3, by inserting after the word
4 "producer" the words "but shall not include sweet
5 corn, popcorn or seed corn".

6 2. Page 7, line 18, by striking the word "last"
7 and inserting in lieu thereof the word "least".

8 3. Page 7, line 30, by striking the word "one"
9 and inserting in lieu thereof the word "five".

10 4. Page 9, lines 26 and 27, by striking the words
11 ", sale, storage, processing, handling,".

H-5543 FILED *Adm* BY COMMITTEE ON AGRICULTURE

MARCH 4 1976 5/11 (2602) HICAV of Tama Chair

March 4, 1976

HUSAK OF TAMA

H-6589

- 1 Amend Senate File 449 as passed by the Senate as
2 follows:
- 3 1. Page 1, line 9, by striking the word A
4 "assessment" and inserting in lieu thereof the words
5 "excise tax on corn".
- 6 2. Page 2, line 5, by striking the word
7 "Assessment" and inserting in lieu thereof the words
8 "Excise tax on corn".
- 9 3. Page 2, line 8, by striking the words "five B
10 hundred producers" and inserting in lieu thereof the
11 words "twenty percent of the producers of each
12 district".
- 13 4. Page 2, line 13, by striking the word "written" C
14 and inserting in lieu thereof the word "mail".
- 15 5. Page 2, lines 13 and 14, by striking the words
16 "this Act" and inserting in lieu thereof the words
17 "the secretary".
- 18 6. Page 2, line 28, by striking the word "each" B
19 and inserting in lieu thereof the word "a".
- 20 7. Page 2, line 29, by striking the word "may"
21 and inserting in lieu thereof the word "will".
- 22 8. Page 2, line 30, by inserting after the word
23 "producers" the words "from each district".
- 24 9. Page 4, line 2, by striking the words "appoint
25 a nominating" and inserting in lieu thereof the words
26 "publish in a newspaper of general circulation a
27 notice requesting nominations by producers of qualified
28 producers which will be submitted to an election".
- 29 10. Page 4, line 6, by striking the word
30 "nominating" and inserting in lieu thereof the word
31 "election".
- 32 11. Page 4, line 6, by striking the words "nomi-
33 nate two" and inserting in lieu thereof the words
34 "publish the names of nominated".
- 35 12. Page 4, line 8, by striking the words "Addi-
36 tional candidates may" and inserting in lieu there-
37 of the words "All candidates must".
- 38 13. Page 4, line 19, by striking the words "shall D
39 serve" and inserting in lieu thereof the words "may
40 attend meetings of the board as observers."
- 41 14. Page 4, by striking lines 20 through 23.
- 42 15. Page 4, by striking lines 31 through 33.
- 43 16. Page 4, line 34, by striking the words "of new or C
44 larger" and inserting in lieu thereof the words "and
45 growth of".
- 46 17. Page 5, by inserting after line 19 the follow- J
47 ing: "The board shall not conduct political actions
48 through campaigning or advertising to perpetuate it-
49 self during a scheduled referendum."
- 50 18. Page 5, line 30, by striking the word "assess- A

1 ment" and inserting in lieu thereof the words "ex-
2 cise tax on corn".

3 19. Page 6, line 23, by inserting after the word
4 "vote." the following: "Any election in which less
5 than twenty-five percent of the eligible producers
6 vote shall be declared no contest."

7 20. Page 6, line 24, by striking the word "ASSESS-
8 MENT" and inserting in lieu thereof the words "EX-
9 CISE TAX ON CORN".

10 21. Page 6, line 25, by striking the word "assess-
11 ment" and inserting in lieu thereof the words "ex-
12 cise tax on corn".

13 22. Page 6, line 25, by striking the word "Assess-
14 ments" and inserting in lieu thereof the words "The
15 excise tax on corn".

16 23. Page 6, line 30, by striking the word "assess-
17 ment" and inserting in lieu thereof the words "the
18 excise tax on corn".

19 24. Page 6, lines 34 and 35, by striking the word
20 "assessment" and inserting in lieu thereof the words
21 "the excise tax on corn".

22 25. Page 6, by inserting after line 35 the follow-
23 ing: "This deduction shall be properly designated
24 as an excise tax on corn and the total amount shall
25 be shown."

26 26. Page 7, line 1, by striking the word "ASSESS-
27 MENT" and inserting in lieu thereof the words "THE
28 EXCISE TAX ON CORN".

29 27. Page 7, lines 1 and 2, by striking the word
30 "assessment" and inserting in lieu thereof the words
31 "excise tax on corn".

32 28. Page 7, line 15, by striking the word
33 "ASSESSMENT" and inserting in lieu thereof the words
34 "EXCISE TAX ON CORN".

35 29. Page 7, lines 15 and 16, by striking the word
36 "assessment" and inserting in lieu thereof the words
37 "excise tax on corn".

38 30. Page 7, lines 24 and 25, by striking the words
39 "the total number of producers voting favor" and in-
40 serting in lieu thereof the words "at least twenty-
41 five percent of the eligible producers have voted
42 in favor of".

43 31. Page 7, line 32, by striking the word "Assess-
44 ments" and inserting in lieu thereof the words "The
45 excise tax on corn".

46 32. Page 8, by striking lines 12 through 26 and
47 inserting in lieu thereof the following:
48 "Sec. 27. NEW SECTION. VOLUNTARY EXCISE TAX ON
49 CORN. Participation in the corn promotion and research
50 program shall be completely voluntary. Anyone wishing

H-6589

1 to have the excise tax on corn withheld by the first
2 purchaser may certify his or her willingness by sign-
3 ing a withholding certificate which shall be provided
4 by the board to each first purchaser in the state.
5 Any collections of the excise tax on corn not covered
6 by a withholding certificate shall be unlawful. All
7 withholding certificates must be forwarded to the
8 secretary who shall be required to maintain them on
9 file for a period of not less than five years."

10 33. Page 9, line 4, by striking the word "promo-
11 tion" and inserting in lieu thereof the words "mar-
12 ket development".

13 34. Page 9, by striking line 5 and inserting in
14 lieu thereof the following: "of this state."

15 35. Page 9, by striking lines 10 and 11 and in-
16 serting in lieu thereof the following: "legislation
17 or perpetuate their contracts through political or
18 promotional activity."

19 36. Amend the title, line 2, by striking the word
20 "assessments" and inserting in lieu thereof the words
21 "an excise tax on corn".

H-6589 FILED - *E- Lost A, B, C, D & withdrawn* BY SCHEELHAASE of Woodbury
MAY 10, 1976 *5/11 (2601)* WYCKOFF of Benton
HOWELL of Floyd

H-6590

1 Amend Senate File 449 as follows:

2 1. Page 2, line 16, by striking the words "a
3 majority" and inserting in lieu thereof the words
4 "sixty percent".

5 2. Page 6, line 33, by inserting after the word
6 "purchaser" the words "shall, if the producer
7 authorizes a deduction".

8 3. Page 6, line 34, by striking the words "shall
9 show the total" and inserting in lieu thereof the
10 words "have the".

11 4. Page 7, line 1, by striking the word "The"
12 and inserting in lieu thereof the words "If
13 authorized, the".

14 5. Page 7, line 24, by striking the words "a
15 majority" and inserting in lieu thereof the words
16 "sixty percent".

17 6. Page 8, by striking lines 12 through 26.

18 7. By renumbering the remaining sections.

H-6590 FILED - *A- Lost B- Withdrawn* BY PERKINS of Greene
MAY 10, 1976 *5/11 (2603)*

H-6600

1 Amend amendment H-6599 to Senate File 449
2 as follows:

3 1. Page 1, line 4, by striking the word
4 "five" and inserting in lieu thereof the word
5 "ten".

H-6600 FILED, LOST (2603) BY WYCKOFF of Benton
MAY 11, 1976 PELLETT of Cass

H-6599

1 Amend Senate File 449 as follows:
2 1. Page 7, line 5, by inserting after the word
3 "board." the words "The first purchaser shall retain,
4 as payment for collecting the assessment, five percent
5 of the first five hundred dollars deducted and forwarded
6 to the secretary during a crop year and one percent of
7 the remaining moneys collected and forwarded during
8 the crop year. A crop year starts on September first
9 of each year and ends on the succeeding August thirty-
10 first."

H-6599 FILED, LOST (2603) BY PELLETT of Cass
MAY 11, 1976 WYCKOFF of Benton

SENATE FILE 449

H-6606

1 Amend Senate File 449, as follows:
2 1. Page 5, by inserting after line 3 the
3 following subsection:
4 "_____ . In performing the duties under sub-
5 sections three (3) and four (4) of this section,
6 the board shall first offer any contracts or
7 agreements to the Iowa development commission."

H-6606 FILED, LOST (2604) BY BAKER of Buena Vista
MAY 11, 1976

HOUSE AMENDMENT TO SENATE FILE 449

S-5784

1 Amend Senate File 449 as passed by the Senate
2 as follows:
3 1. Page 2, line 3, by inserting after the
4 word "producer" the words "but shall not include
5 sweet corn, popcorn or seed corn".
6 2. Page 7, line 18, by striking the word "last"
7 and inserting in lieu thereof the word "least".
8 3. Page 7, line 30, by striking the word "one"
9 and inserting in lieu thereof the word "five".
10 4. Page 9, lines 26 and 27, by striking the
11 words ", sale, storage, processing, handling,".

S-5784 FILED
MAY 13, 1976

RECEIVED FROM THE HOUSE
Senate concurred 5/18 (2029)

SENATE FILE 449

AN ACT

RELATING TO THE ESTABLISHMENT OF A CORN PROMOTION FUND TO RECEIVE ASSESSMENTS MADE ON THE SALE OF CORN, TO ESTABLISH AN IOWA CORN PROMOTION BOARD, TO PROVIDE FOR A REFERENDUM AMONG CORN PRODUCERS, AND TO PROVIDE PENALTIES.

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

Section 1. NEW SECTION. DEFINITIONS. As used in this Act:

1. "Secretary" means the secretary of agriculture.
2. "Board" means the Iowa corn promotion board established by this Act.
3. "Promotional order" means an order administered pursuant to this Act which establishes a program for the promotion, research and market development of corn and provides for an assessment to finance the program.
4. "Market development" means to engage in research and educational programs directed toward better and more efficient utilization of corn; to provide methods and means, including but not limited to, public relations and other promotion techniques for the maintenance of present markets; to provide for the development of new or larger domestic and foreign markets; and to provide for the prevention, modification, or elimination of trade barriers which obstruct the free flow of corn.
5. "Producer" means any individual, firm, corporation, partnership, or association engaged in this state in the business of producing and marketing in their name at least two hundred fifty bushels of corn in the previous marketing year.
6. "First purchaser" means any person, corporation, association, cooperative, partnership, commercial buyer, dealer, or processor who resells corn purchased from a pro-

ducer or offers for sale any product produced from such corn for any purpose.

7. "Marketing year" means the twelve-month period beginning the first day of September and ending on the following thirty-first day of August.

8. "District" means an official crop reporting district formed by the United States department of agriculture and set out in the annual farm census published by the Iowa department of agriculture.

9. "Corn" means and includes all kinds of varieties of corn grown in this state and marketed or sold as corn by the producer but shall not include sweet corn, popcorn or seed corn.

10. "Bushel" means fifty-six pounds of corn by weight.

11. "Assessment" means an excise tax on each bushel of corn raised and sold in this state as provided in this Act.

Sec. 2. NEW SECTION. PETITION FOR ELECTION. Upon receipt of a petition signed by at least five hundred producers requesting an initial referendum election to determine whether a promotional order shall be placed in effect, the secretary shall call an initial referendum election to be conducted within sixty days following receipt of the petition. Producers shall vote by written ballot in the manner provided by this Act for referendum elections.

Sec. 3. NEW SECTION. ESTABLISHMENT OF CORN PROMOTION BOARD. If a majority of the producers voting in the referendum election approve the passage of the promotional order, an Iowa corn promotion board shall be established. The board shall consist of one director elected from each district in the state, except that a district producing more than an average of one hundred million bushels of corn in the three previous marketing years is entitled to two directors.

Sec. 4. NEW SECTION. INITIAL BOARD. For the initial board, the secretary shall notify the Iowa corn growers association, mentioned in section one hundred fifty-nine point twenty-five (159.25) of the Code, immediately after approval

of a promotional order at the referendum election and the association shall nominate two candidates for each position as director. Additional candidates may be nominated by written petition of twenty-five producers. Procedures governing the time and place of filing petitions shall be established and publicized by the secretary. Candidates shall be resident producers of the district from which they are nominated. The secretary shall receive the nominations, and shall call an election for members of the initial board within thirty days following passage of the promotional order.

Sec. 5. NEW SECTION. NOTICE OF ELECTION. Notice of the initial election for directors of the board shall be given by the secretary by publication in a newspaper of general circulation in the state at least five days prior to the date of the election and in any other reasonable manner as may be determined by the secretary. The notice shall set forth the period of time for voting, voting places, and such other information as the secretary may deem necessary.

Notice of subsequent elections for directors of the board in a district shall be given by the board by publication in a newspaper of general circulation in the district and in any other reasonable manner as may be determined by the board and shall set forth the period of time for voting, voting places, and such other information as the board may deem necessary.

Sec. 6. NEW SECTION. ELECTION OF DIRECTORS. In districts electing one director, the candidate receiving the highest number of votes shall be elected. In districts electing two directors, producers shall vote for two directors, and the two candidates receiving the highest number of votes shall be elected.

Sec. 7. NEW SECTION. TERMS OF DIRECTORS. Director terms shall be for three years and no director of the board shall serve for more than three complete consecutive terms.

The terms of office for the initial board shall be determined by lot. As nearly as possible one-third of the di-

rectors shall serve for one year, one-third of the directors shall serve for two years, and one-third of the directors shall serve for three years. The initial board shall not contain two directors from the same district serving the same term.

Sec. 8. NEW SECTION. FUTURE ELECTIONS. After election of the initial board, the board shall administer subsequent elections for directors of the board with the assistance of the secretary. Prior to the expiration of a director's term of office, the board shall appoint a nominating committee for the district represented by such director. The nominating committee shall consist of five producers who are residents of the district from which a director must be elected. The nominating committee shall nominate two resident producers as candidates for each director position for which an election is to be held. Additional candidates may be nominated by a written petition of twenty-five producers. Procedures governing the time and place of filing shall be promulgated and publicized by the board.

Sec. 9. NEW SECTION. VACANCIES. The board shall by appointment fill an unexpired term if a vacancy occurs in the board.

Sec. 10. NEW SECTION. EX OFFICIO MEMBERS. The secretary, the dean of the college of agriculture of Iowa state university of science and technology, and the director of the Iowa development commission, or their designees, and two representatives of first purchaser organizations shall serve on the board as ex officio members. One each of the two first purchaser representatives shall be appointed by, and serve at the pleasure of, the Iowa grain and feed association and the farmers grain dealers association of Iowa.

Sec. 11. NEW SECTION. PURPOSE OF THE BOARD. The purposes of the board shall be to:

1. Enter into contracts or agreements with recognized and qualified agencies or organizations for the development and carrying out of research and education programs directed

toward better and more efficient production, marketing, and utilization of corn and corn products.

2. Provide methods and means, including, but not limited to, public relations and other promotion techniques for the maintenance of present markets.

3. Assist in development of new or larger markets, both domestic and foreign, for corn and corn products.

4. Work for prevention, modification, or elimination of trade barriers which obstruct the free flow of corn and corn products to market.

Sec. 12. NEW SECTION. OFFICERS. The board shall:

1. Elect a chairman and other officers as advisable.

2. Administer this Act, and perform all acts reasonably necessary to effectuate the purposes of this Act.

Sec. 13. NEW SECTION. POWERS AND DUTIES. The board may:

1. Employ and discharge assistants and professional counsel as necessary, prescribe their duties and powers, and fix their compensation.

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

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

4. Enter into arrangements for collection of the assessment on Iowa grown corn from persons purchasing corn outside of Iowa.

Sec. 14. NEW SECTION. PER DIEM AND EXPENSES. Each member of the board shall receive thirty dollars per day and actual expenses in performing official board functions not to exceed forty days per year. No member of the board shall be a salaried employee of the board or any organization or agency which is receiving funds from the board. The board shall meet at least once every three months, and at such other times as deemed necessary by the board.

Sec. 15. NEW SECTION. INITIAL MEETING. The initial board shall meet and organize following the members' election, and

the promotional order, including the assessment, shall become effective sixty days following the date of the election of the board. A promotional order shall be effective for four years from its effective date.

Sec. 16. NEW SECTION. NOTICE OF REFERENDUM. Notice of a referendum election to initiate or extend a promotional order shall be given by publication in a newspaper of general circulation in this state at least ten days prior to the date of the referendum and in any other reasonable manner as may be determined by the secretary for the initial referendum and by the board for extension of the promotional order.

Sec. 17. NEW SECTION. CONTENTS OF NOTICE. The notice of referendum shall set forth the period of time for voting, voting places and such other information as the secretary may deem necessary in an initial referendum. The board shall make such determinations in any subsequent referendum.

Sec. 18. NEW SECTION. COUNTING. At the close of a referendum voting period, the secretary shall count and tabulate the ballots cast during the referendum period.

Sec. 19. NEW SECTION. EFFECT. The ballots shall constitute conclusive evidence as to the validity of the promotional order.

Sec. 20. NEW SECTION. PRODUCERS ONLY TO VOTE. Only producers are eligible to vote in an election for directors or a referendum election and only in the district in which they reside. A producer shall sign an affidavit furnished by the secretary at the time of voting certifying his eligibility to vote. Each qualified producer shall be entitled to one vote.

Sec. 21. NEW SECTION. ASSESSMENT. The board shall set the assessment rate. Assessments pursuant to the promotional order shall be paid into the corn promotion fund established in section twenty-six (26) of this Act. An assessment shall not exceed one-tenth of one cent per bushel upon corn produced in this state and sold to a first purchaser. The rate of assessment shall be determined by the board but shall not

be changed, once established, during a marketing year.

Sec. 22. NEW SECTION. PROMOTIONAL ORDER. After a promotional order has been issued, the first purchaser at the time of payment for corn shall show the total amount of assessment deducted from the sale on the purchase invoice.

Sec. 23. NEW SECTION. DEDUCTION OF ASSESSMENT. The assessment shall be deducted from the purchase price of corn at the time of sale, and forwarded to the secretary by the first purchaser in the manner and at intervals determined by the board.

Sec. 24. NEW SECTION. CANCELLATION OF ORDER. If a promotional order has been canceled by a referendum, and all funds expended, the board shall cease to function. Any funds remaining one year following the termination of a promotional order shall be disbursed by the secretary for corn market development. However if a future referendum passes, the board shall be reorganized by the secretary and members shall serve out their terms as though there had been no lapse of time between effective orders.

Sec. 25. NEW SECTION. ASSESSMENT NULLIFIED. An assessment adopted upon the initiation of a promotional order shall be of no force or effect upon termination of the promotional order. At least sixty days but not more than one hundred eighty days prior to the termination date of a promotional order, the secretary shall cause notice to be published in accordance with section sixteen (16) of this Act, and a referendum on the question of whether a promotional order shall be extended for an additional four-year period shall be conducted. If the secretary finds that a majority of the total number of producers voting favor the promotional order, then the order shall continue to be in effect for an additional four-year period. If a referendum should fail, another referendum shall not be held within one hundred eighty days. A succeeding referendum shall be called by the secretary upon petition of at least five hundred producers requesting a referendum.

Sec. 26. NEW SECTION. DEPOSIT OF FUNDS. Assessments collected by the secretary from a sale of corn shall be deposited in the office of the treasurer of state together with any gifts, or any federal or state grant as may be received by the board, and placed in a special fund to be known as the corn promotion fund. Moneys collected shall be subject to audit by the auditor of state. From moneys collected, the board shall first pay all the direct and indirect costs incurred by the secretary and the costs of referendums, elections and other expenses incurred in the administration of this Act, and thereafter moneys may be expended for the purpose of market development. The fund shall be subject at all times to warrants by the state comptroller, drawn upon the written requisition of the chairman of the board and attested to by the secretary of the board.

Sec. 27. NEW SECTION. REFUND OF ASSESSMENT. A producer who has sold corn and had an assessment deducted from the sale price may, by application in writing to the secretary, secure a refund in the amount deducted. The refund shall be payable only when the application shall have been made to the secretary within sixty days after the deduction. Application forms shall be given by the board to each first purchaser when requested and the first purchaser shall make the applications available to any producer. Each application for refund by a producer shall have attached thereto proof of assessment deducted. The proof of assessment may be in the form of a duplicate or certified copy of the purchase invoice by the first purchaser. The secretary shall have thirty days from the date the application for refund is received to remit the refund to the producer.

Sec. 28. NEW SECTION. APPROPRIATION. All moneys deposited in the corn promotion fund are appropriated for the administration of this Act and for the payment of claims based upon obligations incurred in the performance of activities and functions set forth in this Act.

Sec. 29. NEW SECTION. REMISSION OF EXCESS FUNDS. After

the costs of elections, referendum, necessary board expenses and administrative costs have been paid, at least seventy-five percent of the remaining funds in the corn promotion fund shall be allocated to organizations selected by the corn promotion board on the basis of their ability to carry out the purposes of this Act. The funds can only be used for research, promotion, and education in cooperation with agencies who are equipped to do this kind of work.

The Iowa corn promotion board shall not engage in any political activity, and it shall be a condition of any allocation of funds that any organization receiving funds shall not engage in political activity or attempt to influence legislation except legislation or rules which would restrict corn markets.

Sec. 30. NEW SECTION. BOND. Every person occupying a position of trust under any provisions of this Act shall give bond in such amount as may be required by the board, the premium for which shall be paid out of the corn promotion fund.

Sec. 31. NEW SECTION. PENALTY. It is a misdemeanor for any person to willfully violate any provision of this Act or for any person to willfully render or furnish a false or fraudulent report, statement, or record required by the secretary.

Sec. 32. NEW SECTION. FIRST PURCHASER INFORMATION. Every first purchaser shall upon request furnish the secretary with such information as is necessary to enable the secretary to carry out the provisions of this Act. Such information shall be provided as prescribed by the secretary. The secretary may examine any records relating to the purchase or assessment of corn by any first purchaser. The secretary may hold hearings, take testimony, administer oaths, subpoena witnesses, and issue subpoenas as may be necessary to carry out the provisions of this Act.

Sec. 33. NEW SECTION. ANNUAL REPORT. The secretary shall make an annual report on or before December first of each year, showing all income and expenses and other relevant

information concerning assessments collected and expended under the provisions of this Act.

Sec. 34. NEW SECTION. NOT A STATE AGENCY. The Iowa corn promotion board is not a state agency.

ARTHUR A. NEU
President of the Senate

DALE M. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 449, Sixty-sixth General Assembly.

STEVEN C. CROSS
Secretary of the Senate

Approved _____, 1976

ROBERT D. RAY
Governor