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APR 7 1994

HOUSE FILE 2428  
BY COMMITTEE ON WAYS AND MEANS

WAYS & MEANS CALENDAR

(SUCCESSOR TO HSB 740)

(P.1418) Passed House, Date 4-12-94 (P.1293) Passed Senate, Date 4/15/94  
Vote: Ayes 92 Nays 2 Vote: Ayes 48 Nays 0  
Approved May 2, 1994

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.

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

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HF 2428

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 bank, credit union, or savings and loan as defined in  
5 section 12C.1.

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

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

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

1 179.8 PAYMENT OF EXPENSES -- LIMITATION.

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

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

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

20 179.10 REPORT.

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

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

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

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

34 NEW SUBSECTION. 4. "Qualified financial institution"  
35 means a bank, credit union, or savings and loan as defined in

1 section 12C.1.

2 Sec. 7. Section 181.13, Code 1993, is amended to read as  
3 follows:

4 181.13 FUND ADMINISTRATION OF MONEYS.

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

1 warrants-by-the-director-of-revenue-and-finance,-drawn-upon  
2 the-written-requisition-of-the-chairperson-of-the-executive  
3 committee-and-attested-to-by-its-secretary,-for-the-payment-of  
4 all-expenditures-of-the-committee,-which-shall,-at-no-time,  
5 exceed-the-amount-deposited-to-the-credit-of-such-fund:  
6 However, in no event shall the total expenses exceed the total  
7 amount transferred from the fund for use by the executive  
8 committee.

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

15 Sec. 8. Section 181.16, Code 1993, is amended to read as  
16 follows:

17 181.16 MONEYS REMAINING IN FUND.

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

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

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

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

32 NEW SUBSECTION. 9. "Qualified financial institution"  
33 means a bank, credit union, or savings and loan as defined in  
34 section 12C.1.

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 department of revenue and  
7 finance shall transfer moneys from the fund to the council for  
8 deposit into an account established by the council in a  
9 qualified financial institution. The department shall  
10 transfer the moneys as provided in a resolution adopted by the  
11 council. However, the department is only required to transfer  
12 moneys once during each day and only during hours when the  
13 offices of the state are open.

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

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

34 ~~The pork promotion fund shall be subject at all times to~~  
35 ~~warrants by the director of revenue and finance, drawn upon~~

1 ~~the-written-requisition-of-the-chair-of-the-council-attested~~  
2 ~~to-by-its-secretary,-for-payment-of-expenditures-of-the~~  
3 ~~council,-which-shall,-at-no-time,-exceed-the-amount-deposited~~  
4 ~~in-the-fund.~~ However, in no event shall the total expenses  
5 exceed the total amount of moneys transferred from the fund  
6 for use by the council.

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

9 183A.11 AUDIT.

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

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

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

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

24 NEW SUBSECTION. 4A. "Qualified financial institution"  
25 means a bank, credit union, or savings and loan as defined in  
26 section 12C.1.

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

29 184A.4 DEPOSIT-OF-FEE ADMINISTRATION OF MONEYS.

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

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

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

9 184A.6 USE OF ~~PENNS~~ MONEYS.

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

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

21 184A.9 AUDIT.

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

30 Sec. 18. Section 184A.17, Code 1993, is amended by  
31 striking the section and inserting in lieu thereof the  
32 following:

33 184A.17 REPORT.

34 The council shall prepare and submit a report summarizing  
35 the activities of the council under this chapter each year to



1 the auditor of state and the secretary of agriculture. The  
2 report shall show all income, expenses, and other relevant  
3 information concerning fees collected and expended under the  
4 provisions of this chapter.

5 Sec. 19. Section 185.1, subsections 6 and 11, Code 1993,  
6 are amended to read as follows:

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

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

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

31 NEW SUBSECTION. 10A. "Qualified financial institution"  
32 means a bank, credit union, or savings and loan as defined in  
33 section 12C.1.

34 Sec. 21. Section 185.10, Code 1993, is amended to read as  
35 follows:

1 185.10 EX OFFICIO MEMBERS.

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

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

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

18 Sec. 23. Section 185.21, Code 1993, is amended to read as  
19 follows:

20 185.21 ASSESSMENT.

21 An assessment adopted upon the initiation of a promotional  
22 order shall be collected during the effective period of the  
23 promotional order, and shall be of no force or effect upon  
24 termination of the promotional order.

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

1 determine the effective date of a rate change.

2 Sec. 24. Section 185.24, Code 1993, is amended to read as  
3 follows:

4 185.24 ~~CANCELLATION~~ TERMINATION OF A PROMOTIONAL ORDER.

5 If a promotional order ~~has been canceled~~ is not extended as  
6 determined by a referendum, ~~and the secretary and the board~~  
7 shall terminate the promotional order in an orderly manner as  
8 soon as practicable. After all funds are expended, the board  
9 shall cease to function. Any funds remaining one year  
10 following the termination of a promotional order shall be  
11 disbursed by the board to the Iowa Soybean Association.  
12 However, if a future referendum passes, the board shall be  
13 reorganized by the secretary and members shall serve out their  
14 terms as though there had been no lapse of time between  
15 effective orders.

16 Sec. 25. Section 185.25, Code 1993, is amended to read as  
17 follows:

18 185.25 ~~EFFECTIVE PERIOD OF PROMOTIONAL ORDER~~ SPECIAL  
19 REFERENDUM -- PRODUCER PETITION.

20 ~~An assessment adopted upon the initiation of a promotional~~  
21 ~~order shall be collected during the effective period of a~~  
22 ~~promotional order, and shall be of no force or effect upon~~  
23 ~~termination of a promotional order. -- Upon adoption of an~~  
24 ~~initial promotional order, that promotional order shall be~~  
25 ~~effective for four years from its effective date and shall be~~  
26 ~~either extended or terminated as provided in this section.~~

27 Upon receipt of a petition not less than one hundred fifty  
28 nor more than two hundred forty days from a four-year  
29 anniversary of the effective date of an initial promotional  
30 order signed within that same period by a number of producers  
31 equal to or greater than one percent of the number of  
32 producers reported in the most recent United States census of  
33 agriculture, requesting a referendum to determine whether to  
34 extend the assessment promotional order, the secretary shall  
35 call a referendum to be conducted not earlier than thirty days

1 before the four-year anniversary date. If the secretary  
2 determines that extension of the assessment promotional order  
3 is not favored by a majority of the producers voting in the  
4 referendum, the ~~secretary-and-the-board-shall-terminate-the~~  
5 ~~assessment-in-an-orderly-manner-as-soon-as-practicable-after~~  
6 ~~the-determination~~ promotional order shall be terminated as  
7 provided in section 185.24. If the assessment promotional  
8 order is terminated, another referendum shall not be held  
9 within one hundred eighty days. A succeeding referendum shall  
10 be called by the secretary upon the petition of a number of  
11 producers equal to or greater than one percent of the number  
12 of producers reported in the most recent United States census  
13 of agriculture requesting a referendum, who shall guarantee  
14 the costs of the referendum.

15 If no valid petition is received by the secretary within  
16 the time period described above, or if a petition is received  
17 but the referendum to extend the assessment promotional order  
18 passes, the promotional order shall continue in effect for  
19 four additional years from the anniversary of its effective  
20 date ~~described-above.~~

21 Sec. 26. NEW SECTION. 185.25A SPECIAL REFERENDUM --  
22 REQUEST BY THE BOARD.

23 1. If the assessment rate approved by producers in the  
24 most recent referendum election conducted pursuant to this  
25 chapter is less than the maximum rate established in section  
26 185.21, the board may request the secretary to call a special  
27 referendum at any time prior to the expiration of the  
28 promotional order. The referendum shall be conducted as  
29 provided in this chapter for referendum elections.

30 2. Producers shall vote on the question, as determined by  
31 the board, of whether to authorize an increase in the  
32 assessment rate or whether to authorize an extension of the  
33 promotional order and an increase of the assessment rate. The  
34 assessment rate shall not exceed the rate established in  
35 section 185.21.

1 a. If the secretary determines that the question of  
2 whether to authorize an increase in the assessment rate is  
3 approved in the special referendum, the rate of assessment  
4 shall be changed as provided in section 185.21.

5 b. If the secretary determines that the question of  
6 whether to extend the promotional order at the increased  
7 assessment rate is approved in the special referendum, the  
8 promotional order shall continue in effect for four additional  
9 years from the anniversary of its effective date, and the rate  
10 of assessment shall be changed as provided in section 185.21.  
11 If the secretary determines that the question has not been  
12 approved, the promotional order shall be terminated as  
13 provided in section 185.24.

14 Sec. 27. Section 185.26, Code 1993, is amended to read as  
15 follows:

16 185.26 ~~DEPOSIT-OF-FUNDS~~ ADMINISTRATION OF MONEYS.

17 Assessments collected by the board from a sale of soybeans  
18 shall be deposited in a special fund known as the soybean  
19 promotion fund, in the office of the treasurer of state  
20 together-with. The fund may also contain any gifts, or any  
21 federal or state grant ~~as-may-be~~ received by the board, ~~and~~  
22 ~~placed-in-a-special-fund-to-be-known-as-the-soybean-promotion~~  
23 fund. Moneys collected, deposited into the fund, and  
24 transferred to the board, as provided in this chapter, shall  
25 be subject to audit by the auditor of state. The department  
26 of revenue and finance shall transfer moneys from the fund to  
27 the board for deposit into an account established by the board  
28 in a qualified financial institution. The department shall  
29 transfer the moneys as provided in a resolution adopted by the  
30 board. However, the department is only required to transfer  
31 moneys once during each day and only during hours when the  
32 offices of the state are open. From moneys collected,  
33 deposited and transferred to the board as provided in this  
34 section, the board shall first pay the costs of referendums,  
35 elections and other expenses incurred in the administration of

1 this chapter, ~~and thereafter~~ before moneys may be expended for  
2 the purpose of market development. ~~The fund shall be subject~~  
3 ~~at all times to warrants by the director of revenue and~~  
4 ~~finance, drawn upon the written requisition of the chairperson~~  
5 ~~of the board and attested to by the secretary of the board.~~

6 Sec. 28. Section 185.28, Code 1993, is amended to read as  
7 follows:

8 185.28 APPROPRIATION USE OF MONEYS.

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

16 Sec. 29. Section 185.29, Code 1993, is amended to read as  
17 follows:

18 185.29 REMISSION OF EXCESS FUNDS.

19 After the board has paid the costs of elections,  
20 referendum, necessary board expenses and administrative costs  
21 ~~have been paid,~~ at least seventy-five percent of the remaining  
22 ~~funds in the soybean promotion fund~~ moneys collected,  
23 deposited in the fund, and transferred to the board as  
24 provided in this chapter, shall be expended by the board for  
25 market development activities ~~to include,~~ including developing  
26 and expanding new markets for soybeans and soybean products  
27 worldwide. ~~The funds can~~ moneys shall only be used for  
28 research, promotion, and education in co-operation with  
29 qualified agencies who are equipped to do this kind of work.

30 Sec. 30. Section 185.30, Code 1993, is amended to read as  
31 follows:

32 185.30 BOND.

33 Every person occupying a position of trust under any  
34 provisions of this chapter shall ~~give~~ provide a bond in such  
35 an amount as may be required by the board~~, the.~~ The premium

1 for which the bond shall be paid out of moneys transferred  
2 from the soybean promotion fund to the board pursuant to  
3 section 185.26.

4 Sec. 31. Section 185.33, Code 1993, is amended by striking  
5 the section and inserting in lieu thereof the following:

6 185.33 REPORT.

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

13 Sec. 32. Section 185C.1, Code 1993, is amended by adding  
14 the following new subsection:

15 NEW SUBSECTION. 12A. "Qualified financial institution"  
16 means a bank, credit union, or savings and loan as defined in  
17 section 12C.1.

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

20 13. "Sale" or "purchase" ~~includes-but-is-not-limited-to~~  
21 may, to the extent determined by the board, include the pledge  
22 or other encumbrance of corn as security for a loan extended  
23 under a federal price support loan program. Actual delivery  
24 of the corn occurs when the corn is pledged or otherwise  
25 encumbered to secure the loan. The purchase price of the corn  
26 is the principal amount of the loan extended and the purchase  
27 invoice for the corn is the documentation required for  
28 extension of the loan.

29 Sec. 34. Section 185C.10, Code 1993, is amended to read as  
30 follows:

31 185C.10 EX OFFICIO MEMBERS.

32 The secretary, the dean of the college of agriculture of  
33 Iowa State University of science and technology, and the  
34 director of the Iowa department of economic development, or  
35 their designees, and two representatives of first purchaser

1 organizations appointed by the board shall serve on the board  
2 as ex officio members. ~~The Iowa grain and feed association~~  
3 ~~and agri industries shall each nominate two first purchaser~~  
4 ~~representatives, and the board shall appoint one first~~  
5 ~~purchaser representative from each set of nominations or~~  
6 ~~another first purchaser of its choice as the first purchaser~~  
7 ~~representatives on the board.~~

8 Sec. 35. Section 185C.21, Code 1993, is amended to read as  
9 follows:

10 185C.21 STATE ASSESSMENT.

11 1. The board shall determine and set the state assessment  
12 rate. State assessments collected pursuant to the promotional  
13 order shall be paid into the corn promotion fund established  
14 in section 185C.26. Except as provided in subsection 2, a  
15 state assessment shall not exceed one-quarter of one cent per  
16 bushel upon corn marketed in this state. ~~The rate of the~~  
17 ~~state assessment shall be determined by the board but shall~~  
18 ~~not be changed, once established, during a marketing year.~~  
19 ~~However, a board which has been reconstituted pursuant to~~  
20 ~~section 185C.8 may change the rate of the state assessment in~~  
21 ~~the marketing year in which the board is reconstituted. The~~  
22 ~~board shall establish the effective date of a rate change.~~

23 2. Upon request of the board, the secretary shall call a  
24 special referendum for producers to vote on whether to  
25 authorize an increase in the state assessment above one-  
26 quarter of one cent per bushel, notwithstanding subsection 1.  
27 The special referendum shall be conducted as provided in this  
28 chapter for referendum elections. However, the special  
29 referendum shall not affect the existence or length of the  
30 promotional order in effect. If a majority of the producers  
31 voting in the special referendum approve the increase, the  
32 board, ~~at the end of the marketing year,~~ may increase the  
33 assessment to the amount approved in the special referendum.  
34 However a state assessment shall not exceed one-half of one  
35 cent per bushel of corn marketed in this state.



1     Sec. 36. Section 185C.26, Code 1993, is amended to read as  
2 follows:

3     185C.26 DEPOSIT OF MONEYS.

4     State assessments collected by the board from a sale of  
5 corn shall be deposited in the office of the treasurer of  
6 state ~~together with~~ in a special fund known as the corn  
7 promotion fund. The fund may include any gifts, or any  
8 federal or state grant as may be received by the board, and  
9 placed in a special fund to be known as the corn promotion  
10 fund. Moneys collected, deposited in the fund, and  
11 transferred to the board as provided in this chapter, shall be  
12 subject to audit by the auditor of state. The department of  
13 revenue and finance shall transfer moneys from the fund to the  
14 board for deposit into an account established by the board in  
15 a qualified financial institution. The department shall  
16 transfer the moneys as provided in a resolution adopted by the  
17 board. However, the department is only required to transfer  
18 moneys once during each day and only during hours when the  
19 offices of the state are open. From moneys collected, the  
20 board shall first pay all the direct and indirect costs  
21 incurred by the secretary and the costs of referendums,  
22 elections, and other expenses incurred in the administration  
23 of this chapter, and thereafter before moneys may be expended  
24 for the purpose of market development. The fund shall be  
25 subject at all times to warrants by the director of revenue  
26 and finance, drawn upon the written requisition of the  
27 chairperson of the board and attested to by the secretary of  
28 the board.

29     Sec. 37. Section 185C.28, Code 1993, is amended to read as  
30 follows:

31     185C.28 APPROPRIATION USE OF MONEYS.

32     Moneys deposited in the corn promotion fund and transferred  
33 to the board as provided in section 185C.26, including federal  
34 moneys to the extent permitted by federal law, are  
35 appropriated and shall be used for the administration of this

1 chapter and for the payment of claims based upon obligations  
2 incurred in the performance of activities and functions set  
3 forth provided in this chapter.

4 Sec. 38. Section 185C.33, Code 1993, is amended by  
5 striking the section and inserting in lieu thereof the  
6 following:

7 185C.33 REPORT.

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

14 Sec. 39. Section 196A.1, Code 1993, is amended by adding  
15 the following new subsection:

16 NEW SUBSECTION. 9. "Qualified financial institution"  
17 means a bank, credit union, or savings and loan as defined in  
18 section 12C.1.

19 Sec. 40. Section 196A.17, Code 1993, is amended to read as  
20 follows:

21 196A.17 ~~EGG-FUND~~ ADMINISTRATION OF MONEYS.

22 Subject to the provisions of section 196A.15, the tax  
23 imposed by this chapter shall be remitted by the purchaser to  
24 the Iowa egg council not later than thirty days following each  
25 calendar quarter during which the tax was collected. Amounts  
26 collected from the tax shall be deposited in the office of the  
27 treasurer of state in a separate fund to be known as the Iowa  
28 egg fund. The department of revenue and finance shall  
29 transfer moneys from the fund to the council for deposit into  
30 an account established by the council in a qualified financial  
31 institution. The department shall transfer the moneys as  
32 provided in a resolution adopted by the council. However, the  
33 department is only required to transfer moneys once during  
34 each day and only during hours when the offices of the state  
35 are open.

1     Sec. 41. Section 196A.19, Code 1993, is amended to read as  
2 follows:

3     196A.19   USE OF EGG-FUND MONEYS; AUDIT.

4     All moneys deposited in the Iowa egg fund and transferred  
5 to the council as provided in section 196A.17, are  
6 appropriated and shall be used for the administration of this  
7 chapter and for the payment of claims based upon obligations  
8 incurred in the performance of activities and functions set  
9 forth in this chapter.

10    Moneys collected under-the-authority-of, deposited in the  
11 fund, and transferred to the council as provided in this  
12 chapter are subject to audit by the auditor of state. The  
13 moneys transferred to the council, shall be used by the Iowa  
14 egg council first for the payment of collection expenses,  
15 second for payment of the costs and expenses arising in  
16 connection with conducting referendums, and third for market  
17 development. Moneys remaining ~~in-the-Iowa-egg-fund~~ after a  
18 referendum is held when a majority of the voters do not favor  
19 extending the tax shall continue to be expended in accordance  
20 with this chapter until exhausted.

21    Sec. 42. Section 196A.21, Code 1993, is amended to read as  
22 follows:

23    196A.21   BOND REQUIRED.

24    All persons holding positions of trust under this chapter  
25 shall ~~give~~ provide a bond in the an amount required by the  
26 council. The premiums for bond costs shall be paid from the  
27 moneys transferred from the Iowa egg fund to the council as  
28 provided in section 196A.17.

29    Sec. 43. Section 196A.25, Code 1993, is amended by  
30 striking the section and inserting in lieu thereof the  
31 following:

32    196A.25   REPORT.

33    The council shall each year prepare and submit a report  
34 summarizing the activities of the council under this chapter  
35 each year to the auditor of state and the secretary of

1 agriculture. The report shall show all income, expenses, and  
2 other relevant information concerning fees collected and  
3 expended under the provisions of this chapter.

4 Sec. 44. Section 421.31, subsection 2, Code 1993, is  
5 amended to read as follows:

6 2. PREAUDIT SYSTEM. To establish and fix a reasonable  
7 imprest cash fund for each state department and institution  
8 for disbursement purposes where needed. These revolving funds  
9 shall be reimbursed only upon vouchers approved by the  
10 director. It is the purpose of this subsection to establish a  
11 preaudit system of settling all claims against the state, but  
12 the preaudit system is not applicable to any of the  
13 institutions following:

14 a. Institutions under the control of the state board of  
15 regents, ~~or to the~~

16 b. The state fair board as established in chapter 173.

17 c. The Iowa dairy industry commission as established in  
18 chapter 179, the Iowa beef cattle producers association as  
19 established in chapter 181, the Iowa pork producers council as  
20 established in chapter 183A, the Iowa turkey marketing council  
21 as established in chapter 184A, the Iowa soybean promotion  
22 board as established in chapter 185, the Iowa corn promotion  
23 board as established in chapter 185C, and the Iowa egg council  
24 as established in chapter 196A.

25 Sec. 45. Section 421.31, Code 1993, is amended by adding  
26 the following new subsection:

27 NEW SUBSECTION. 6A. ENTITIES REPRESENTING AGRICULTURAL  
28 PRODUCERS. To control the financial operations of the Iowa  
29 dairy industry commission as provided in chapter 179, the Iowa  
30 beef cattle producers association as provided in chapter 181,  
31 the Iowa pork producers council as provided in chapter 183A,  
32 the Iowa turkey marketing council as provided in chapter 184A,  
33 the Iowa soybean promotion board as provided in chapter 185,  
34 the Iowa corn promotion board as provided in chapter 185C, and  
35 the Iowa egg council as provided in chapter 196A.



1 cannot be changed during the marketing year in which the  
2 change was made. This bill provides that the board shall  
3 determine the effective date of a rate change. The bill  
4 provides that if the assessment rate approved by producers in  
5 the most recent referendum is less than the maximum rate  
6 provided in the bill, the board may request the secretary to  
7 call a special referendum for producers to vote on whether to  
8 authorize an increase in the assessment rate or whether to  
9 authorize an extension of the promotional order and an  
10 increase of the assessment rate. The bill amends provisions  
11 relating to the appointment of ex officio members to serve on  
12 the board, the review of programs supported by the board, and  
13 the assessment rate.

14 The bill amends provisions in chapter 185C which  
15 establishes the Iowa corn promotion board. The bill provides  
16 that the board may determine the extent to which a pledge or  
17 other encumbrance of corn used as security for a loan extended  
18 under a general price support loan can be considered a sale or  
19 purchase. The bill also provides that a rate of assessment  
20 may be changed by the board within the same marketing year.

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HOUSE FILE 2428  
FISCAL NOTE

A fiscal note for House File 2428 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.

House File 2428 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, assuming checkoff receipts equal FY 1993 checkoff receipts.

Source:

Treasurer of the State  
Department of Revenue and Finance

(LSB 4231hv, DHK)

FILED APRIL 8, 1994

BY DENNIS PROUTY, FISCAL DIRECTOR

Greig-Chair  
Fogarty  
Dinkla  
Bernau  
Drake

HSB 740

WAYS AND MEANS

HOUSE FILE 2438  
BY (PROPOSED COMMITTEE ON WAYS  
AND MEANS BILL BY CHAIRPERSON  
HANSON of Delaware)

Passed House, Date \_\_\_\_\_ Passed Senate, 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.

4 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 bank, credit union, or savings and loan as defined in  
5 section 12C.1.

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

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

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

## 1 179.8 PAYMENT OF EXPENSES -- LIMITATION.

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

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

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

## 20 179.10 REPORT.

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

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

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

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

34 NEW SUBSECTION. 4. "Qualified financial institution"  
35 means a bank, credit union, or savings and loan as defined in

1 section 12C.1.

2 Sec. 7. Section 181.13, Code 1993, is amended to read as  
3 follows:

4 181.13 FUND ADMINISTRATION OF MONEYS.

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

1 warrants-by-the-director-of-revenue-and-finance,-drawn-upon  
2 the-written-requisition-of-the-chairperson-of-the-executive  
3 committee-and-attested-to-by-its-secretary,-for-the-payment-of  
4 all-expenditures-of-the-committee,-which-shall,-at-no-time,  
5 exceed-the-amount-deposited-to-the-credit-of-such-fund.  
6 However, in no event shall the total expenses exceed the total  
7 amount transferred from the fund for use by the executive  
8 committee.

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

15 Sec. 8. Section 181.16, Code 1993, is amended to read as  
16 follows:

17 181.16 MONEYS REMAINING IN FUND.

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

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

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

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

32 NEW SUBSECTION. 9. "Qualified financial institution"  
33 means a bank, credit union, or savings and loan as defined in  
34 section 12C.1.

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 department of revenue and  
7 finance shall transfer moneys from the fund to the council for  
8 deposit into an account established by the council in a  
9 qualified financial institution. The department shall  
10 transfer the moneys as provided in a resolution adopted by the  
11 council. However, the department is only required to transfer  
12 moneys once during each day and only during hours when the  
13 offices of the state are open.

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

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

34 ~~The-pork-promotion-fund-shall-be-subject-at-all-times-to~~  
35 ~~warrants-by-the-director-of-revenue-and-finance,-drawn-upon~~

1 the-written-requisition-of-the-chair-of-the-council-attested  
2 to-by-its-secretary,-for-payment-of-expenditures-of-the  
3 council,-which-shall,-at-no-time,-exceed-the-amount-deposited  
4 in-the-fund. However, in no event shall the total expenses  
5 exceed the total amount of moneys transferred from the fund  
6 for use by the council.

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

9 183A.11 AUDIT.

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

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

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

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

24 NEW SUBSECTION. 4A. "Qualified financial institution"  
25 means a bank, credit union, or savings and loan as defined in  
26 section 12C.1.

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

29 184A.4 ~~DEPOSIT-OF-FEE~~ ADMINISTRATION OF MONEYS.

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

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

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

9 184A.6 USE OF FUNDS MONEYS.

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

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

21 184A.9 AUDIT.

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

30 Sec. 18. Section 184A.17, Code 1993, is amended by  
31 striking the section and inserting in lieu thereof the  
32 following:

33 184A.17 REPORT.

34 The council shall prepare and submit a report summarizing  
35 the activities of the council under this chapter each year to

1 the auditor of state and the secretary of agriculture. The  
2 report shall show all income, expenses, and other relevant  
3 information concerning fees collected and expended under the  
4 provisions of this chapter.

5 Sec. 19. Section 185.1, subsections 6 and 11, Code 1993,  
6 are amended to read as follows:

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

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

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

31 NEW SUBSECTION. 10A. "Qualified financial institution"  
32 means a bank, credit union, or savings and loan as defined in  
33 section 12C.1.

34 Sec. 21. Section 185.10, Code 1993, is amended to read as  
35 follows:



1 185.10 EX OFFICIO MEMBERS.

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

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

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

18 Sec. 23. Section 185.21, Code 1993, is amended to read as  
19 follows:

20 185.21 ASSESSMENT.

21 An assessment adopted upon the initiation of a promotional  
22 order shall be collected during the effective period of the  
23 promotional order, and shall be of no force or effect upon  
24 termination of the promotional order.

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

1 determine the effective date of a rate change.

2 Sec. 24. Section 185.24, Code 1993, is amended to read as  
3 follows:

4 185.24 ~~CANCELLATION~~ TERMINATION OF A PROMOTIONAL ORDER.

5 If a promotional order ~~has been canceled~~ is not extended as  
6 determined by a referendum, and the secretary and the board  
7 shall terminate the promotional order in an orderly manner as  
8 soon as practicable. After all funds are expended, the board  
9 shall cease to function. Any funds remaining one year  
10 following the termination of a promotional order shall be  
11 disbursed by the board to the Iowa Soybean Association.  
12 However, if a future referendum passes, the board shall be  
13 reorganized by the secretary and members shall serve out their  
14 terms as though there had been no lapse of time between  
15 effective orders.

16 Sec. 25. Section 185.25, Code 1993, is amended to read as  
17 follows:

18 185.25 ~~EFFECTIVE PERIOD OF PROMOTIONAL ORDER~~ SPECIAL  
19 REFERENDUM -- PRODUCER PETITION.

20 ~~An assessment adopted upon the initiation of a promotional~~  
21 ~~order shall be collected during the effective period of a~~  
22 ~~promotional order, and shall be of no force or effect upon~~  
23 ~~termination of a promotional order. -- Upon adoption of an~~  
24 ~~initial promotional order, that promotional order shall be~~  
25 ~~effective for four years from its effective date and shall be~~  
26 ~~either extended or terminated as provided in this section.~~

27 Upon receipt of a petition not less than one hundred fifty  
28 nor more than two hundred forty days from a four-year  
29 anniversary of the effective date of an initial promotional  
30 order signed within that same period by a number of producers  
31 equal to or greater than one percent of the number of  
32 producers reported in the most recent United States census of  
33 agriculture, requesting a referendum to determine whether to  
34 extend the assessment promotional order, the secretary shall  
35 call a referendum to be conducted not earlier than thirty days

1 before the four-year anniversary date. If the secretary  
2 determines that extension of the assessment promotional order  
3 is not favored by a majority of the producers voting in the  
4 referendum, the ~~secretary-and-the-board-shall-terminate-the~~  
5 ~~assessment-in-an-orderly-manner-as-soon-as-practicable-after~~  
6 the-determination promotional order shall be terminated as  
7 provided in section 185.24. If the assessment promotional  
8 order is terminated, another referendum shall not be held  
9 within one hundred eighty days. A succeeding referendum shall  
10 be called by the secretary upon the petition of a number of  
11 producers equal to or greater than one percent of the number  
12 of producers reported in the most recent United States census  
13 of agriculture requesting a referendum, who shall guarantee  
14 the costs of the referendum.

15 If no valid petition is received by the secretary within  
16 the time period described above, or if a petition is received  
17 but the referendum to extend the assessment promotional order  
18 passes, the promotional order shall continue in effect for  
19 four additional years from the anniversary of its effective  
20 date ~~described-above~~.

21 Sec. 26. NEW SECTION. 185.25A SPECIAL REFERENDUM --  
22 REQUEST BY THE BOARD.

23 1. If the assessment rate approved by producers in the  
24 most recent referendum election conducted pursuant to this  
25 chapter is less than the maximum rate established in section  
26 185.21, the board may request the secretary to call a special  
27 referendum at any time prior to the expiration of the  
28 promotional order. The referendum shall be conducted as  
29 provided in this chapter for referendum elections.

30 2. Producers shall vote on the question, as determined by  
31 the board, of whether to authorize an increase in the  
32 assessment rate or whether to authorize an extension of the  
33 promotional order and an increase of the assessment rate. The  
34 assessment rate shall not exceed the rate established in  
35 section 185.21.

1 a. If the secretary determines that the question of  
2 whether to authorize an increase in the assessment rate is  
3 approved in the special referendum, the rate of assessment  
4 shall be changed as provided in section 185.21.

5 b. If the secretary determines that the question of  
6 whether to extend the promotional order at the increased  
7 assessment rate is approved in the special referendum, the  
8 promotional order shall continue in effect for four additional  
9 years from the anniversary of its effective date, and the rate  
10 of assessment shall be changed as provided in section 185.21.  
11 If the secretary determines that the question has not been  
12 approved, the promotional order shall be terminated as  
13 provided in section 185.24.

14 Sec. 27. Section 185.26, Code 1993, is amended to read as  
15 follows:

16 185.26 DEPOSIT-OF-FUNDS ADMINISTRATION OF MONEYS.

17 Assessments collected by the board from a sale of soybeans  
18 shall be deposited in a special fund known as the soybean  
19 promotion fund, in the office of the treasurer of state  
20 together-with. The fund may also contain any gifts, or any  
21 federal or state grant as-may-be received by the board,-and  
22 placed-in-a-special-fund-to-be-known-as-the-soybean-promotion  
23 fund. Moneys collected, deposited into the fund, and  
24 transferred to the board, as provided in this chapter, shall  
25 be subject to audit by the auditor of state. The department  
26 of revenue and finance shall transfer moneys from the fund to  
27 the board for deposit into an account established by the board  
28 in a qualified financial institution. The department shall  
29 transfer the moneys as provided in a resolution adopted by the  
30 board. However, the department is only required to transfer  
31 moneys once during each day and only during hours when the  
32 offices of the state are open. From moneys collected,  
33 deposited and transferred to the board as provided in this  
34 section, the board shall first pay the costs of referendums,  
35 elections and other expenses incurred in the administration of

1 this chapter, and thereafter before moneys may be expended for  
2 the purpose of market development. ~~The fund shall be subject~~  
3 ~~at all times to warrants by the director of revenue and~~  
4 ~~finance, drawn upon the written requisition of the chairperson~~  
5 ~~of the board and attested to by the secretary of the board.~~

6 Sec. 28. Section 185.28, Code 1993, is amended to read as  
7 follows:

8 185.28 ~~APPROPRIATION~~ USE OF MONEYS.

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

16 Sec. 29. Section 185.29, Code 1993, is amended to read as  
17 follows:

18 185.29 REMISSION OF EXCESS FUNDS.

19 After the board has paid the costs of elections,  
20 referendum, necessary board expenses and administrative costs  
21 ~~have been paid,~~ at least seventy-five percent of the remaining  
22 ~~funds in the soybean promotion fund~~ moneys collected,  
23 deposited in the fund, and transferred to the board as  
24 provided in this chapter, shall be expended by the board for  
25 market development activities ~~to include,~~ including developing  
26 and expanding new markets for soybeans and soybean products  
27 worldwide. The ~~funds can~~ moneys shall only be used for  
28 research, promotion, and education in co-operation with  
29 qualified agencies who are equipped to do this kind of work.

30 Sec. 30. Section 185.30, Code 1993, is amended to read as  
31 follows:

32 185.30 BOND.

33 Every person occupying a position of trust under any  
34 provisions of this chapter shall ~~give~~ provide a bond in such  
35 ~~an amount as may be required by the board,~~ the. The premium

1 for which the bond shall be paid out of moneys transferred  
2 from the soybean promotion fund to the board pursuant to  
3 section 185.26.

4 Sec. 31. Section 185.33, Code 1993, is amended by striking  
5 the section and inserting in lieu thereof the following:

6 185.33 REPORT.

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

13 Sec. 32. Section 185C.1, Code 1993, is amended by adding  
14 the following new subsection:

15 NEW SUBSECTION. 12A. "Qualified financial institution"  
16 means a bank, credit union, or savings and loan as defined in  
17 section 12C.1.

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

20 13. "Sale" or "purchase" ~~includes-but-is-not-limited-to~~  
21 may, to the extent determined by the board, include the pledge  
22 or other encumbrance of corn as security for a loan extended  
23 under a federal price support loan program. Actual delivery  
24 of the corn occurs when the corn is pledged or otherwise  
25 encumbered to secure the loan. The purchase price of the corn  
26 is the principal amount of the loan extended and the purchase  
27 invoice for the corn is the documentation required for  
28 extension of the loan.

29 Sec. 34. Section 185C.10, Code 1993, is amended to read as  
30 follows:

31 185C.10 EX OFFICIO MEMBERS.

32 The secretary, the dean of the college of agriculture of  
33 Iowa State University of science and technology, and the  
34 director of the Iowa department of economic development, or  
35 their designees, and two representatives of first purchaser

1 organizations appointed by the board shall serve on the board  
2 as ex officio members. ~~The Iowa grain and feed association~~  
3 ~~and agri-industries shall each nominate two first purchaser~~  
4 ~~representatives, and the board shall appoint one first~~  
5 ~~purchaser representative from each set of nominations or~~  
6 ~~another first purchaser of its choice as the first purchaser~~  
7 ~~representatives on the board.~~

8 Sec. 35. Section 185C.21, Code 1993, is amended to read as  
9 follows:

10 185C.21 STATE ASSESSMENT.

11 1. The board shall determine and set the state assessment  
12 rate. State assessments collected pursuant to the promotional  
13 order shall be paid into the corn promotion fund established  
14 in section 185C.26. Except as provided in subsection 2, a  
15 state assessment shall not exceed one-quarter of one cent per  
16 bushel upon corn marketed in this state. ~~The rate of the~~  
17 ~~state assessment shall be determined by the board but shall~~  
18 ~~not be changed, once established, during a marketing year.~~  
19 ~~However, a board which has been reconstituted pursuant to~~  
20 ~~section 185C.6 may change the rate of the state assessment in~~  
21 ~~the marketing year in which the board is reconstituted. The~~  
22 board shall establish the effective date of a rate change.

23 2. Upon request of the board, the secretary shall call a  
24 special referendum for producers to vote on whether to  
25 authorize an increase in the state assessment above one-  
26 quarter of one cent per bushel, notwithstanding subsection 1.  
27 The special referendum shall be conducted as provided in this  
28 chapter for referendum elections. However, the special  
29 referendum shall not affect the existence or length of the  
30 promotional order in effect. If a majority of the producers  
31 voting in the special referendum approve the increase, the  
32 ~~board, at the end of the marketing year,~~ may increase the  
33 assessment to the amount approved in the special referendum.  
34 However a state assessment shall not exceed one-half of one  
35 cent per bushel of corn marketed in this state.

1     Sec. 36. Section 185C.26, Code 1993, is amended to read as  
2 follows:

3     185C.26 DEPOSIT OF MONEYS.

4     State assessments collected by the board from a sale of  
5 corn shall be deposited in the office of the treasurer of  
6 state together-with in a special fund known as the corn  
7 promotion fund. The fund may include any gifts, or any  
8 federal or state grant as-may-be received by the board,--and  
9 placed-in-a-special-fund-to-be-known-as-the-corn-promotion  
10 fund. Moneys collected, deposited in the fund, and  
11 transferred to the board as provided in this chapter, shall be  
12 subject to audit by the auditor of state. The department of  
13 revenue and finance shall transfer moneys from the fund to the  
14 board for deposit into an account established by the board in  
15 a qualified financial institution. The department shall  
16 transfer the moneys as provided in a resolution adopted by the  
17 board. However, the department is only required to transfer  
18 moneys once during each day and only during hours when the  
19 offices of the state are open. From moneys collected, the  
20 board shall first pay all the direct and indirect costs  
21 incurred by the secretary and the costs of referendums,  
22 elections, and other expenses incurred in the administration  
23 of this chapter, and-thereafter before moneys may be expended  
24 for the purpose of market development. The-fund-shall-be  
25 subject-at-all-times-to-warrants-by-the-director-of-revenue  
26 and-finance,--drawn-upon-the-written-requisition-of-the  
27 chairperson-of-the-board-and-attested-to-by-the-secretary-of  
28 the-board.

29     Sec. 37. Section 185C.28, Code 1993, is amended to read as  
30 follows:

31     185C.28 APPROPRIATION USE OF MONEYS.

32     Moneys deposited in the corn promotion fund and transferred  
33 to the board as provided in section 185C.26, including federal  
34 moneys to the extent permitted by federal law, are  
35 appropriated and shall be used for the administration of this



1 chapter and for the payment of claims based upon obligations  
2 incurred in the performance of activities and functions set  
3 forth provided in this chapter.

4 Sec. 38. Section 185C.33, Code 1993, is amended by  
5 striking the section and inserting in lieu thereof the  
6 following:

7 185C.33 REPORT.

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

14 Sec. 39. Section 196A.1, Code 1993, is amended by adding  
15 the following new subsection:

16 NEW SUBSECTION. 9. "Qualified financial institution"  
17 means a bank, credit union, or savings and loan as defined in  
18 section 12C.1.

19 Sec. 40. Section 196A.17, Code 1993, is amended to read as  
20 follows:

21 196A.17 EGG-FUND ADMINISTRATION OF MONEYS.

22 Subject to the provisions of section 196A.15, the tax  
23 imposed by this chapter shall be remitted by the purchaser to  
24 the Iowa egg council not later than thirty days following each  
25 calendar quarter during which the tax was collected. Amounts  
26 collected from the tax shall be deposited in the office of the  
27 treasurer of state in a separate fund to be known as the Iowa  
28 egg fund. The department of revenue and finance shall  
29 transfer moneys from the fund to the council for deposit into  
30 an account established by the council in a qualified financial  
31 institution. The department shall transfer the moneys as  
32 provided in a resolution adopted by the council. However, the  
33 department is only required to transfer moneys once during  
34 each day and only during hours when the offices of the state  
35 are open.

1 Sec. 41. Section 196A.19, Code 1993, is amended to read as  
2 follows:

3 196A.19 USE OF EGG-FUND MONEYS; AUDIT.

4 All moneys deposited in the Iowa egg fund and transferred  
5 to the council as provided in section 196A.17, are  
6 appropriated and shall be used for the administration of this  
7 chapter and for the payment of claims based upon obligations  
8 incurred in the performance of activities and functions set  
9 forth in this chapter.

10 Moneys collected ~~under the authority of,~~ deposited in the  
11 fund, and transferred to the council as provided in this  
12 chapter are subject to audit by the auditor of state. The  
13 moneys transferred to the council, shall be used by the Iowa  
14 egg council first for the payment of collection expenses,  
15 second for payment of the costs and expenses arising in  
16 connection with conducting referendums, and third for market  
17 development. Moneys remaining ~~in the Iowa egg fund~~ after a  
18 referendum is held when a majority of the voters do not favor  
19 extending the tax shall continue to be expended in accordance  
20 with this chapter until exhausted.

21 Sec. 42. Section 196A.21, Code 1993, is amended to read as  
22 follows:

23 196A.21 BOND REQUIRED.

24 All persons holding positions of trust under this chapter  
25 shall ~~give~~ provide a bond in the an amount required by the  
26 council. The premiums for bond costs shall be paid from ~~the~~  
27 moneys transferred from the Iowa egg fund to the council as  
28 provided in section 196A.17.

29 Sec. 43. Section 196A.25, Code 1993, is amended by  
30 striking the section and inserting in lieu thereof the  
31 following:

32 196A.25 REPORT.

33 The council shall each year prepare and submit a report  
34 summarizing the activities of the council under this chapter  
35 each year to the auditor of state and the secretary of

1 agriculture. The report shall show all income, expenses, and  
2 other relevant information concerning fees collected and  
3 expended under the provisions of this chapter.

4 Sec. 44. Section 421.31, subsection 2, Code 1993, is  
5 amended to read as follows:

6 2. PREAUDIT SYSTEM. To establish and fix a reasonable  
7 imprest cash fund for each state department and institution  
8 for disbursement purposes where needed. These revolving funds  
9 shall be reimbursed only upon vouchers approved by the  
10 director. It is the purpose of this subsection to establish a  
11 preaudit system of settling all claims against the state, but  
12 the preaudit system is not applicable to any of the  
13 institutions following:

14 a. Institutions under the control of the state board of  
15 regents, or to the

16 b. The state fair board as established in chapter 173.

17 c. The Iowa dairy industry commission as established in  
18 chapter 179, the Iowa beef cattle producers association as  
19 established in chapter 181, the Iowa pork producers council as  
20 established in chapter 183A, the Iowa turkey marketing council  
21 as established in chapter 184A, the Iowa soybean promotion  
22 board as established in chapter 185, the Iowa corn promotion  
23 board as established in chapter 185C, and the Iowa egg council  
24 as established in chapter 196A.

25 Sec. 45. Section 421.31, Code 1993, is amended by adding  
26 the following new subsection:

27 NEW SUBSECTION. 6A. ENTITIES REPRESENTING AGRICULTURAL  
28 PRODUCERS. To control the financial operations of the Iowa  
29 dairy industry commission as provided in chapter 179, the Iowa  
30 beef cattle producers association as provided in chapter 181,  
31 the Iowa pork producers council as provided in chapter 183A,  
32 the Iowa turkey marketing council as provided in chapter 184A,  
33 the Iowa soybean promotion board as provided in chapter 185,  
34 the Iowa corn promotion board as provided in chapter 185C, and  
35 the Iowa egg council as provided in chapter 196A.



1 cannot be changed during the marketing year in which the  
2 change was made. This bill provides that the board shall  
3 determine the effective date of a rate change. The bill  
4 provides that if the assessment rate approved by producers in  
5 the most recent referendum is less than the maximum rate  
6 provided in the bill, the board may request the secretary to  
7 call a special referendum for producers to vote on whether to  
8 authorize an increase in the assessment rate or whether to  
9 authorize an extension of the promotional order and an  
10 increase of the assessment rate. The bill amends provisions  
11 relating to the appointment of ex officio members to serve on  
12 the board, the review of programs supported by the board, and  
13 the assessment rate.

14 The bill amends provisions in chapter 185C which  
15 establishes the Iowa corn promotion board. The bill provides  
16 that the board may determine the extent to which a pledge or  
17 other encumbrance of corn used as security for a loan extended  
18 under a general price support loan can be considered a sale or  
19 purchase. The bill also provides that a rate of assessment  
20 may be changed by the board within the same marketing year.

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HOUSE FILE 2428

AN ACT

RELATING TO AGRICULTURAL COMMODITY ORGANIZATIONS, BY PROVIDING FOR THEIR ADMINISTRATION, THE COLLECTION, DEPOSIT, AND TRANSFER OF MONEYS, AND ASSESSMENTS.

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

Section 1. Section 179.1, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. "Qualified financial institution" means a bank, credit union, or savings and loan as defined in section 12C.1.

Sec. 2. Section 179.5, subsection 3, Code 1991, is amended to read as follows:

1. All taxes levied and imposed under this chapter and other contributions made to the dairy industry commission, shall be paid to and collected by the commission within thirty days after the end of the month during which the milk was marketed. The commission shall remit the taxes and other contributions to the treasurer of the state each quarter, and at the same time render to the director of revenue and finance an itemized and verified report showing the source from which the taxes and voluntary contributions were obtained. All taxes and voluntary contributions received, collected and remitted shall be placed in a special fund by the treasurer of state and the director of revenue and finance, to be known as the "Dairy Industry Fund" to be used by the Iowa dairy industry commission for the purposes set out in this chapter and to administer and enforce the laws relative to this chapter. The department of revenue and finance shall transfer moneys from the fund to the commission for deposit into an account established by the commission in a qualified financial institution. The department shall transfer the

moneys as provided in a resolution adopted by the commission. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open. Moneys deposited in the dairy industry fund and transferred to the commission as provided in this section are appropriated and shall be used for the purpose of carrying out the provisions of this chapter.

Sec. 3. Section 179.8, Code 1991, is amended to read as follows:

179.8 PAYMENT OF EXPENSES -- LIMITATION.

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

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

Sec. 4. Section 179.10, Code 1991, is amended by striking the section and inserting in lieu thereof the following:

179.10 REPORT.

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

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

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

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

NEW SUBSECTION. 4. "Qualified financial institution" means a bank, credit union, or savings and loan as defined in section 12C.1.

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

181.13 FUND ADMINISTRATION OF MONEYS.

All excise taxes imposed and levied under this chapter shall be paid to and collected by the executive committee and deposited with the treasurer of state in a separate cattle and veal calf fund which is hereby shall be created by the treasurer of state. The department of revenue and finance shall transfer moneys from the fund to the executive committee for deposit into an account established by the executive committee in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the executive committee. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open. From the moneys collected, deposited, and transferred to the executive committee, in accordance with the provisions of this chapter, the executive committee shall first pay the costs of referendums held pursuant hereto to this chapter; the costs of collection of such excise tax, the expenses of its agents and expenses of officers provided for in section 181.5. Except as otherwise provided in section 181.19, at least thirty percent of the funds remaining thereafter remaining moneys shall be remitted to the national livestock and meat board and the beef industry council

thereof, and at least ten percent of the remaining funds shall be remitted to the Iowa beef cattle producers association in such proportions as the determined by the executive committee may determine, for use by them in a manner not inconsistent with section 181.7. The remaining moneys received, with approval of a majority of the executive committee, shall be expended as found the executive committee finds necessary to carry out the provisions and purposes of this chapter. The cattle and veal calf fund shall be subject at all times to warrants by the director of revenue and finance, drawn upon the written requisition of the chairperson of the executive committee and attested to by the secretary, for the payment of all expenditures of the committee, which shall, at no time, exceed the amount deposited to the credit of such fund. However, in no event shall the total expenses exceed the total amount transferred from the fund for use by the executive committee.

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

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

181.16 MONEYS REMAINING IN FUND

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

Sec. 9. NEW SECTION. 181.18B REPORT.

The executive committee shall each year prepare and submit a report summarizing the activities of the executive committee under this chapter to the auditor of state and the secretary

of agriculture. The report shall show all income, expenses, and other relevant information concerning fees collected and expended under this chapter.

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

NEW SUBSECTION 9 "Qualified financial institution" means a bank, credit union, or savings and loan as defined in section 12C.1.

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

183A.7 FUND ADMINISTRATION OF MONEYS.

Assessments imposed under this chapter paid to and collected by the Iowa pork producers council shall be deposited in the pork promotion fund which is established in the office of the treasurer of state. The department of revenue and finance shall transfer moneys from the fund to the council for deposit into an account established by the council in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the council. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open.

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

From the moneys collected, deposited, and transferred to the council as provided in this chapter, the council shall first pay the costs of referendums held pursuant to this chapter. Of the funds moneys remaining, at least ten percent shall be remitted to the national livestock and meat board and the pork industry group; thereof, at least twenty-five percent shall be remitted to the national pork producers council; and

at least fifteen percent shall be remitted to the Iowa pork producers association, in the proportion the committee determines, for use by recipients in a manner not inconsistent with market development as defined in section 183A.1. Moneys remaining in the fund shall be spent as found necessary by the council to further carry out the provisions and purposes of this chapter.

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

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

183A.11 AUDIT.

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

Sec. 13. NEW SECTION. 183A.17A REPORT.

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

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

NEW SUBSECTION. 4A. "Qualified financial institution" means a bank, credit union, or savings and loan as defined in section 12C.1.



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

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

The fee imposed by this chapter shall be paid by the processor to the Iowa turkey marketing council. Amounts collected from the fees shall be deposited with the treasurer of state in a separate special fund to be known as the "Iowa turkey account". The department of revenue and finance shall transfer moneys from the fund to the council for deposit into an account established by the council in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the council. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open.

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

184A.6 USE OF FUNDS MONEYS.

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

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

184A.9 AUDIT.

~~Moneys collected under authority of, deposited in the fund, and transferred to the council, as provided in this chapter shall be subject to audit by the auditor of state and. The moneys shall be used by the council first for the payment of collection expenses and for payment of the costs and expenses~~

arising in connection with conducting any required referendums, and secondly by the turkey marketing council for market development.

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

184A.17 REPORT.

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

Sec. 19. Section 185.1, subsections 6 and 11, Code 1993, are amended to read as follows:

6. "Market development" means to engage in research and educational programs directed toward better and more efficient production and utilization of soybeans; 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 soybeans.

11. "Sale" or "purchase" includes but is not limited to the pledge or other encumbrance of soybeans as security for a loan extended under a federal price support loan program. Actual sale and actual delivery of the soybeans under the federal price support loan program occurs when the soybeans are pledged or otherwise encumbered to secure the loan marketed following redemption by the producer or when the soybeans are forfeited in lieu of loan repayment. The if the soybeans are forfeited in lieu of repayment, the purchase price of the soybeans is the principal amount of the loan extended and the purchase price for the soybeans is the

~~documentation required for extension of the loan assessment shall be collected at the time of loan settlement~~

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

NEW SUBSECTION. 10A. "Qualified financial institution" means a bank, credit union, or savings and loan as defined in section 12C.1.

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

185.10 EX OFFICIO MEMBERS.

The secretary, the dean of the college of agriculture of Iowa State University, the director of the Iowa department of economic development, or their designees, and two representatives of first purchaser organizations appointed by the board shall serve on the board as nonvoting ex officio members. ~~The Iowa grain and feed association and agr. industries shall each nominate two first purchaser representatives, and the board shall appoint one first purchaser representative from each set of nominations or another first purchaser of its choice as the first purchaser representatives on the board.~~

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

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

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

185.21 ASSESSMENT.

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

The board shall determine and set the assessment rate. Assessments pursuant to the promotional order shall be paid

into the soybean promotion fund established in section 185.26. An assessment shall not exceed one-cent-per-bushel upon one-quarter of one percent of the net market price of the soybeans marketed in this state and sold to a first purchaser. The net market price is the sales price received by a producer for soybeans after adjustments for any premium or discount based on grading or quality factors. The rate of assessment shall be determined by the board but shall not be changed once established during a marketing year. The board shall determine the effective date of a rate change.

Sec. 24. Section 185.24, Code 1993, is amended to read as follows:

185.24 CANCELLATION TERMINATION OF A PROMOTIONAL ORDER.

If a promotional order has been canceled is not extended as determined by a referendum and the secretary and the board shall terminate the promotional order in an orderly manner as soon as practicable. After all funds are expended, the board shall cease to function. Any funds remaining one year following the termination of a promotional order shall be disbursed by the board to the Iowa Soybean Association. 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. Section 185.25, Code 1993, is amended to read as follows:

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

An assessment adopted upon the initiation of a promotional order shall be collected during the effective period of a promotional order and shall be of no force or effect upon termination of a promotional order. Upon adoption of an initial promotional order that promotional order shall be effective for four years from its effective date and shall be either extended or terminated as provided in this section.

Upon receipt of a petition not less than one hundred fifty nor more than two hundred forty days from a four-year anniversary of the effective date of an initial promotional order signed within that same period by a number of producers equal to or greater than one percent of the number of producers reported in the most recent United States census of agriculture, requesting a referendum to determine whether to extend the assessment promotional order, the secretary shall call a referendum to be conducted not earlier than thirty days before the four-year anniversary date. If the secretary determines that extension of the assessment promotional order is not favored by a majority of the producers voting in the referendum, the secretary and the board shall terminate the assessment in an orderly manner as soon as practicable after the determination promotional order shall be terminated as provided in section 185.24. If the assessment promotional order is terminated, another referendum shall not be held within one hundred eighty days. A succeeding referendum shall be called by the secretary upon the petition of a number of producers equal to or greater than one percent of the number of producers reported in the most recent United States census of agriculture requesting a referendum, who shall guarantee the costs of the referendum.

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

SEC. 26. NEW SECTION 185.25A SPECIAL REFERENDUM -- REQUEST BY THE BOARD.

1. If the assessment rate approved by producers in the most recent referendum election conducted pursuant to this chapter is less than the maximum rate established in section 185.21, the board may request the secretary to call a special

referendum at any time prior to the expiration of the promotional order. The referendum shall be conducted as provided in this chapter for referendum elections.

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

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

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

Sec. 27. Section 185.26, Code 1993, is amended to read as follows:

185.26 BEANS PROMOTION ADMINISTRATION OF MONIES.

Assessments collected by the board from a sale of soybeans shall be deposited in a special fund known as the soybean promotion fund, in the office of the treasurer of state together with. The fund may also contain any gifts, or any federal or state grant as may be received by the board and placed in a special fund to be known as the soybean promotion fund. Moneys collected, deposited into the fund, and transferred to the board, as provided in this chapter, shall be subject to audit by the auditor of state. The department of revenue and finance shall transfer moneys from the fund to

the board for deposit into an account established by the board in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the board. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open. From moneys collected, deposited and transferred to the board as provided in this section, the board shall first pay the costs of referendums, elections and other expenses incurred in the administration of this chapter, and thereafter before moneys may be expended for the purpose of market development. The fund shall be subject at all times to warrants by the director of revenue and finance drawn upon the written requisition of the chairperson of the board and attested to by the secretary of the board.

Sec. 28. Section 185.28, Code 1993, is amended to read as follows:

185.28 APPROPRIATION USE OF MONEYS.

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

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

185.29 REMISSION OF EXCESS FUNDS.

After the board has paid the costs of elections, referendums, necessary board expenses and administrative costs have been paid, at least seventy-five percent of the remaining funds in the soybean promotion fund moneys collected, deposited in the fund, and transferred to the board as provided in this chapter, shall be expended by the board for market development activities to include, including developing and expanding new markets for soybeans and soybean products

worldwide. The funds can moneys shall only be used for research, promotion, and education in co-operation with qualified agencies who are equipped to do this kind of work.

Sec. 30. Section 185.30, Code 1993, is amended to read as follows:

185.30 BOND.

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

Sec. 31. Section 185.31, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

185.31 REPORT.

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

Sec. 32. Section 185C.1, Code 1993, is amended by adding the following new subsection

NEW SUBSECTION. 12A. "Qualified financial institution" means a bank, credit union, or savings and loan as defined in section 12C.1.

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

13. "Sale" or "purchase" includes but is not limited to may, to the extent determined by the board, include the pledge or other encumbrance of corn as security for a loan extended under a federal price support loan program. Actual delivery of the corn occurs when the corn is pledged or otherwise encumbered to secure the loan. The purchase price of the corn is the principal amount of the loan extended and the purchase

invoice for the corn as the documentation required for extension of the loan.

Sec. 34. Section 185C.10, Code 1991, is amended to read as follows:

185C.10 EX OFFICIO MEMBERS

The secretary, the dean of the college of agriculture of Iowa State University of science and technology, and the director of the Iowa department of economic development, or their designees, and two representatives of first purchaser organizations appointed by the board shall serve on the board as ex officio members. ~~The Iowa grain and feed association and agrt. industries shall each nominate two first purchaser representatives; and the board shall appoint one first purchaser representative from each set of nominations or another first purchaser of its choice as the first purchaser representatives on the board.~~

Sec. 35. Section 185C.21, Code 1993, is amended to read as follows:

185C.21 STATE ASSESSMENT.

1. The board shall determine and set the state assessment rate. State assessments collected pursuant to the promotional order shall be paid into the corn promotion fund established in section 185C.26. Except as provided in subsection 2, a state assessment shall not exceed one-quarter of one cent per bushel upon corn marketed in this state. ~~The rate of the state assessment shall be determined by the board but shall not be changed, once established, during a marketing year. However, a board which has been reconstituted pursuant to section 185C.9 may change the rate of the state assessment in the marketing year in which the board is reconstituted. The board shall establish the effective date of a rate change.~~

2. Upon request of the board, the secretary shall call a special referendum for producers to vote on whether to authorize an increase in the state assessment above one-quarter of one cent per bushel, notwithstanding subsection 1.

The special referendum shall be conducted as provided in this chapter for referendum elections. However, the special referendum shall not affect the existence or length of the promotional order in effect. If a majority of the producers voting in the special referendum approve the increase, the board, ~~at the end of the marketing year~~ may increase the assessment to the amount approved in the special referendum. However a state assessment shall not exceed one-half of one cent per bushel of corn marketed in this state.

Sec. 36. Section 185C.26, Code 1991, is amended to read as follows:

185C.26 DEPOSIT OF MONEYS.

State assessments collected by the board from a sale of corn shall be deposited in the office of the treasurer of state together with in a special fund known as the corn promotion fund. The fund may include 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, deposited in the fund, and transferred to the board as provided in this chapter, shall be subject to audit by the auditor of state. The department of revenue and finance shall transfer moneys from the fund to the board for deposit into an account established by the board in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the board. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open. 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 chapter, ~~and hereafter before~~ before moneys may be expended for the purpose of market development. ~~The fund shall be subject at all times to warrants by the director of revenue and finance, drawn upon the written requisition of the~~

~~chairperson of the board and attested to by the secretary of the board:~~

Sec. 37. Section 185C.28, Code 1993, is amended to read as follows:

**185C.28 APPROPRIATION USE OF MONEYS.**

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

Sec. 38. Section 185C.33, Code 1993, is amended by striking the section and inserting in lieu thereof the following

**185C.33 REPORT.**

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

Sec. 39. Section 196A.1, Code 1993, is amended by adding the following new subsection:

**NEW SUBSECTION. 9.** "Qualified financial institution" means a bank, credit union, or savings and loan as defined in section 12C.1.

Sec. 40. Section 196A.17, Code 1993, is amended to read as follows

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

Subject to the provisions of section 196A.15, the tax imposed by this chapter shall be remitted by the purchaser to the Iowa egg council not later than thirty days following each calendar quarter during which the tax was collected. Amounts collected from the tax shall be deposited in the office of the

treasurer of state in a separate fund to be known as the Iowa egg fund. The department of revenue and finance shall transfer moneys from the fund to the council for deposit into an account established by the council in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the council. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open.

Sec. 41. Section 196A.19, Code 1993, is amended to read as follows:

**196A.19 USE OF EGG-FUND MONEYS; AUDIT.**

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

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

Sec. 42. Section 196A.21, Code 1993, is amended to read as follows:

**196A.21 BOND REQUIRED.**

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

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

Sec. 43. Section 196A.25, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

196A.25 REPORT.

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

Sec. 44. Section 421.31, subsection 2, Code 1993, is amended to read as follows:

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

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

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

c. The Iowa dairy industry commission as established in chapter 179, the Iowa beef cattle producers association as established in chapter 181, the Iowa pork producers council as established in chapter 183A, the Iowa turkey marketing council as established in chapter 184A, the Iowa soybean promotion board as established in chapter 185, the Iowa corn promotion board as established in chapter 185C, and the Iowa egg council as established in chapter 196A.

Sec. 45. Section 421.31, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. ENTITIES REPRESENTING AGRICULTURAL PRODUCERS. To control the financial operations of the Iowa dairy industry commission as provided in chapter 179, the Iowa beef cattle producers association as provided in chapter 181, the Iowa pork producers council as provided in chapter 183A, the Iowa turkey marketing council as provided in chapter 184A, the Iowa soybean promotion board as provided in chapter 185, the Iowa corn promotion board as provided in chapter 185C, and the Iowa egg council as provided in chapter 196A.

Sec. 46. REPEALS. Sections 184A.7 and 196A.20, Code 1993, are repealed

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HAROLD VAN HAAREN  
Speaker of the House

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LEONARD L. BOSWELL  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2428, Seventy-fifth General Assembly.

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ELIZABETH ISAACSON  
Chief Clerk of the House

Approved *Max L.* 1976

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TERRY E. BRANSTAD  
Governor