

SENATE FILE 2105
BY GIANNETTO

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to price discrimination in the purchase of
2 livestock and providing criminal penalties and civil remedies.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2105

1 Section 1. NEW SECTION. 172A.14 PRICE DISCRIMINATION --
2 PROHIBITION

3 1. Except as provided in this section, a dealer or a
4 broker, or an agent purchasing livestock for slaughter shall
5 not discriminate in prices paid or offered to be paid to
6 sellers of that livestock.

7 2. This section shall not apply to a person exempted from
8 the license and financial responsibility provisions of this
9 chapter pursuant to section 172A.6. This section shall also
10 not apply, if all of the following requirements are met:

11 a. The price differential is based on one of the
12 following:

13 (1) The quality of the livestock, if the broker, dealer,
14 or agent purchases the livestock based upon a payment method
15 specifying prices paid for criteria relating to carcass merit.

16 (2) Actual and quantifiable costs related to transporting
17 and acquiring the livestock by the broker or dealer, or the
18 agent.

19 (3) An agreement for the delivery of livestock at a
20 specified date or time. The broker or dealer, or the agent
21 shall provide all sellers with the same terms and conditions.

22 b. Prior to making a differential payment to a seller, the
23 broker, dealer, or agent publishes information relating to the
24 differential pricing, including the payment method for carcass
25 merit, transportation and acquisition pricing, and an offer to
26 enter into an agreement for the delivery of livestock at a
27 specified date or time according to the same terms and
28 conditions offered to other sellers.

29 3. An agreement made by a broker or dealer, or an agent
30 with a seller in violation of this section is voidable.

31 4. A broker or dealer, or an agent acting in violation of
32 this section is guilty of a fraudulent practice as provided in
33 chapter 714.

34 5. The attorney general shall enforce this section. The
35 department shall refer any violations of this chapter to the

1 attorney general. The attorney general or any person injured
2 by a violation of this section may bring an action in district
3 court to restrain a dealer or broker, or an agent from
4 violating this section. A seller who receives a
5 discriminatory price or who is offered only a discriminatory
6 price for livestock based upon a violation of this section by
7 a broker or dealer, or an agent, has a civil cause of action
8 against the broker or dealer, or an agent, and, if successful,
9 shall be awarded treble damages.

10

EXPLANATION

11 This bill amends chapter 172A which in part regulates
12 persons, referred to as brokers or dealers, and their agents,
13 who are engaged in the business of slaughtering live animals
14 or receiving, buying, or soliciting live animals for
15 slaughter, the meat products of which are directly or
16 indirectly to be offered for resale or for public consumption.
17 This bill provides that a dealer or a broker, or an agent,
18 purchasing livestock for slaughter is prohibited from
19 discriminating in prices paid to sellers of the livestock.
20 The bill provides that this prohibition does not apply to
21 certain low-volume dealers. The bill also provides that the
22 prohibition does not apply to price differential based on
23 quality, transportation and acquisition costs, or the delivery
24 of livestock at a specified date or time. The bill provides
25 that prior to making a differential payment to a seller, the
26 broker or dealer, or the agent, must publish information
27 relating to the differential pricing. The bill provides that
28 an agreement made in violation of the provisions of the bill
29 is voidable and a broker or dealer, or an agent, acting in
30 violation is guilty of a fraudulent practice. The bill
31 provides that the attorney general shall enforce the bill's
32 provisions. A seller who receives a discriminatory price or
33 an offer of a discriminatory price for livestock based upon a
34 violation of the bill has a civil cause of action, and, if
35 successful, may be awarded treble damages.

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