

Boggess, Chair
Baudler
Fallon

HSB 140
Agriculture

HOUSE FILE ^{SC} 570
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON KLEMME)

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

A BILL FOR

1 An Act relating to the Iowa turkey marketing council, by
2 providing procedures for the administration of the council, a
3 producer assessment, refunds, and for the expenditure of
4 moneys by the council, and providing an effective date.

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

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1 Section ~~184A.1~~ Section 184A.1, Code 1999, is amended to read
2 as follows:

3 184A.1 DEFINITIONS.

4 1. "Account" means the turkey council account created
5 pursuant to section 184A.4A.

6 2. "Council" means the "Iowa turkey marketing council"-or
7 "council"-means-the-council-administrating-promotion-and
8 research-funds established pursuant to sections 184A.1A and
9 184A.1B. The-council-shall-consist-of-the-following-seven
10 members:

11 a. ~~--The-Iowa-secretary-of-agriculture-or-the-secretary's~~
12 ~~representative.~~

13 b. ~~--The-chairperson-of-the-poultry-science-department-of~~
14 ~~the-Iowa-state-university-of-science-and-technology.~~

15 c. ~~--The-Iowa-turkey-federation-shall-nominate-ten~~
16 ~~representatives-of-the-Iowa-turkey-industry, and-the-secretary~~
17 ~~shall-appoint-five-representatives-from-the-ten-nominees-or~~
18 ~~other-representatives-of-the-Iowa-turkey-industry-of-the-sec-~~
19 ~~retary's-choice-as-the-representatives-of-the-turkey-industry~~
20 ~~on-the-council.~~

21 3. "Fund" means the Iowa turkey fund created pursuant to
22 section 184A.4.

23 4. "Integrator" means any person who is both a producer
24 and a processor.

25 2. 5. "Market development" means research and education
26 programs directed toward to provide better and more efficient
27 production, marketing, and utilization of turkey and turkey
28 products produced for resale, ~~and-methods-and-means,~~
29 including. The programs may include, but are not limited to,
30 supporting public relations and-other, promotion techniques,
31 for and research efforts. The programs may provide for all of
32 the following:

33 a. The maintenance of present markets, for and the
34 development of new or larger domestic or foreign markets, for
35 the-sale-of-turkeys, and-for.

1 b. The prevention, modification, or elimination of trade
 2 barriers which obstruct the free flow of such-agricultural
 3 commodities-to-market commerce. Market-development-includes
 4 providing-promotion-and-research-funds-for-iowa's
 5 participation

6 c. The education of consumers regarding the benefits of
 7 purchasing and consuming turkey products and the role of
 8 turkey producers and processors.

9 d. Participation in activities such-as-the and events
 10 sponsored by the national turkey federation, the-"eat-more
 11 turkey"-campaign, and the national turkey federation research
 12 fund and-other-activities-as-may-be-authorized-by-the-council
 13 which provide for research and promotion regarding the
 14 production and marketing of turkeys and turkey products.

15 3- 6. "Processor" means any a person who purchases more
 16 than one thousand turkeys for slaughter each year. The-word
 17 "processor"-may-include-where-applicable, A processor includes
 18 an integrator, who-is-a-person-who-both-produces-and-processes
 19 turkeys.

20 4- 7. "Producer" means any a person doing-business
 21 residing within this state or outside this state who does
 22 business in this state and who grows raises more than two
 23 hundred five thousand turkeys for slaughter each year. The
 24 word-"producer"-may-include-where-applicable, A producer
 25 includes an integrator, who-is-a-person-who-both-produces-and
 26 processes-turkeys.

27 5- 8. "Qualified financial institution" means a bank,
 28 credit union, or savings and loan as defined in section 12C.1.

29 6- "Secretary"-means-a-person-employed-by-the-iowa-turkey
 30 marketing-council-to-perform-duties-specified-by-this-chapter
 31 or-the-council.

32 7- "Treasurer"-means-the-person-appointed-as-treasurer-by
 33 the-iowa-turkey-marketing-council-from-the-membership-of-the
 34 council.

35 9. "Qualified producer" means a producer who resides

1 within this state.

2 8- 10. "~~Turkeys~~ "Turkey" means turkeys a turkey raised
3 for slaughter.

4 11. "Turkey product" means a product produced in whole or
5 in part from a turkey.

6 Sec. 2. NEW SECTION. 184A.1A REFERENDUM CONDUCTED TO
7 ESTABLISH AN IOWA TURKEY MARKETING COUNCIL AND IMPOSE AN
8 ASSESSMENT.

9 1. The department shall call and conduct a referendum upon
10 the department's receipt of a petition which is signed by at
11 least twenty eligible voters requesting a referendum to
12 determine whether to establish an Iowa turkey marketing
13 council as provided in section 184A.1B and impose an
14 assessment as provided in section 184A.2. In order to be an
15 eligible voter under this section, a petitioner must be a
16 qualified producer. The referendum shall be conducted by
17 election within sixty days following receipt of the petition.
18 The petitioners shall guarantee payment of the cost of the
19 referendum by providing evidence of financial security as
20 required by the department.

21 2. The department shall give notice of the referendum on
22 the question whether to establish a council and to impose an
23 assessment by publishing the notice for a period of not less
24 than five days in at least one newspaper of general
25 circulation in the state, and for a similar period in other
26 newspapers as prescribed by the department. The notice shall
27 state the voting places, period of time for voting, the manner
28 of voting, the amount of the assessment, and other information
29 deemed necessary by the department. A referendum shall not be
30 commenced until five days after the last date of publication.

31 3. a. Each eligible voter who signs a statement
32 certifying that the eligible voter is a qualified producer
33 shall be an eligible voter under this section. An eligible
34 voter is entitled to cast one vote in each referendum
35 conducted under this section. The department may conduct the

1 referendum by mail, electronic means, or a general meeting of
2 eligible voters.

3 b. At the close of the referendum, the department shall
4 count and tabulate the ballots cast.

5 (1) If a majority of eligible voters who vote in the
6 referendum approve establishing the council and imposing an
7 assessment, a council shall be established, and an assessment
8 shall be imposed commencing not more than sixty days following
9 the referendum as determined by the council. The council and
10 assessment shall continue for five years as provided in
11 section 184A.12.

12 (2) If a majority of eligible voters who vote in the
13 referendum do not approve establishing the council and
14 imposing the assessment, the council shall not be established
15 and an assessment shall not be imposed until another
16 referendum is held under this section and a majority of the
17 eligible voters voting approve establishing a council and
18 imposing the assessment. If a referendum should fail, another
19 referendum shall not be held within one hundred eighty days
20 from the date of the last referendum.

21 4. Within thirty days after approval at the referendum to
22 establish a council to impose an assessment, the department
23 shall organize the council as provided in section 184A.1B.

24 Sec. 3. NEW SECTION. 184A.1B TURKEY MARKETING COUNCIL --
25 COMPOSITION AND PROCEDURES.

26 1. The council shall consist of the following members:

27 a. The secretary of agriculture or the secretary's
28 designee who shall serve at the pleasure of the secretary.

29 b. Six persons appointed by the board of the Iowa turkey
30 federation. The appointees shall be knowledgeable about the
31 care and management of poultry. The board shall appoint and
32 replace the appointees by election as provided by the board.
33 An appointee shall serve on the council at the pleasure of the
34 board.

35 c. Any number of ex officio nonvoting members appointed by

1 the board of the Iowa turkey federation. The board shall
2 appoint and replace the appointees by election as provided by
3 the board. An appointee shall serve on the council at the
4 pleasure of the board.

5 2. The council shall elect a chairperson, and other
6 officers, as needed, from among its members. An officer shall
7 serve for a term as provided by the council, and may be
8 reelected to serve subsequent terms unless otherwise provided
9 by the council.

10 3. A majority of voting members of the council present
11 during a meeting shall constitute a quorum. A majority of the
12 voting members present during a meeting is necessary to carry
13 out the duties and exercise the powers of the council as
14 provided in this chapter, unless the council requires a
15 greater number.

16 4. The council shall meet on the call of the chairperson
17 or as otherwise provided by the council.

18 Sec. 4. NEW SECTION. 184A.1C POWERS OF THE COUNCIL.

19 The council may do all of the following:

20 1. Employ, manage, and discharge assistants and
21 professional counsel as necessary, prescribe their duties and
22 powers, and provide for their compensation.

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

26 3. Adopt rules necessary to administer the functions of
27 the council as provided in this chapter.

28 4. Enter into arrangements for the collection and deposit
29 of the assessment.

30 5. Require that any administrator, employee, or other
31 person occupying a position of trust under this chapter give
32 bond in the amount required by the council. The premiums for
33 bonds shall be part of the costs of collecting the assessment.

34 6. Receive money, including in the form of gifts, rents,
35 royalties, or license fees which shall be deposited in the

1 turkey council account as provided in section 184A.4.

2 Sec. 5. Section 184A.2, Code 1999, is amended to read as
3 follows:

4 184A.2 FEE-IMPOSED----RATE ASSESSMENT.

5 1. If an assessment is approved by a majority of the
6 eligible voters voting at a referendum as provided in section
7 184A.10 184A.1A or 184A.12, there-is-hereby-imposed-a-fee-upon
8 each-turkey-delivered-for-processing-in-the-state-of-Iowa all
9 of the following shall apply:

10 a. The assessment shall be imposed on each turkey
11 delivered for processing.

12 b. The council shall establish a rate of the-fee-imposed
13 assessment for each turkey delivered for processing. The
14 council may establish different rates based on attributes or
15 characteristics of turkeys. However, a rate shall not be more
16 than one-cent-for-each-turkey-weighing-less-than-ten-pounds
17 live-weight-and-not-more-than-two three cents for each turkey
18 weighing-ten-or-more-pounds-live-weight,-as-established-at-the
19 discretion-of-the-council delivered for processing.

20 c. The fee assessment shall be imposed on the producer and
21 collected at the time of delivery of a turkey to the
22 processing-plant-and processor. The assessment shall be
23 deducted by the processor at the time of delivery from the
24 price paid to the producer at the time of the sale to the
25 processor. A processor shall remit assessments to the council
26 on a monthly basis as provided by the council. The council
27 shall deposit the remitted assessments in the Iowa turkey fund
28 as provided in section 184A.4.

29 2. The council may enter into agreements with processors
30 from outside this state for the payment of the assessment.

31 3. a. Except as provided in paragraph "b", the assessment
32 imposed under this section is not refundable.

33 b. The council may provide for the refund of an
34 assessment for turkeys which are raised in another state and
35 processed in this state according to rules adopted by the

1 council.

2 Sec. 6. Section 184A.3, Code 1999, is amended to read as
3 follows:

4 184A.3 INVOICES ASSESSMENT DOCUMENTATION.

5 ~~At the time of delivery to the processing plant,~~ the A
6 processor receiving turkeys for slaughter shall do all of the
7 following:

8 1. At the time of payment to the producer, the processor
9 shall sign and submit a receipt to the producer which includes
10 the rate of assessment imposed and the amount of the
11 assessment for all turkeys delivered for processing.

12 2. Within a period established by rules adopted by the
13 council, the processor shall regularly sign and deliver submit
14 to the producer separate invoices for each purchase or such
15 council an invoice or other records which will be required by the
16 council to expedite collection of the fee assessment. The
17 council may require that the processor submit a separate
18 invoice for each purchase. The invoices invoice shall be
19 legibly printed and shall not be altered. An invoice shall
20 show include all of the following:

21 ~~1-~~ a. The name and address of the producer and the seller,
22 if the seller's name is different from the producer.

23 ~~2-~~ b. The name and address of the processor.

24 ~~3-~~ c. The quantity number of turkeys sold.

25 ~~4-~~ d. The date of the delivery.

26 ~~Invoices shall be legibly written and shall not be altered.~~

27 Sec. 7. Section 184A.4, Code 1999, is amended by striking
28 the section and inserting in lieu thereof the following:

29 184A.4 ADMINISTRATION OF MONEYS.

30 1. The assessments collected by the council as provided in
31 section 184A.2 shall be deposited in the office of the
32 treasurer of state in a special fund known as the Iowa turkey
33 fund. The department of revenue and finance shall transfer
34 moneys from the fund to the council for deposit into the
35 turkey council account established by the council pursuant to

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

6 2. The council shall establish a turkey council account in
7 a qualified financial institution. The council shall provide
8 for the deposit of all of the following into the account:

9 a. The assessment collected, deposited in the Iowa turkey
10 fund, and transferred to the council as provided in this
11 section.

12 b. Moneys, other than assessments, including moneys in the
13 form of gifts, rents, royalties, or license fees received by
14 the council pursuant to section 184A.1C.

15 Sec. 8. Section 184A.6, Code 1999, is amended to read as
16 follows:

17 184A.6 USE OF MONEYS----APPROPRIATION.

18 1. All moneys deposited in the turkey council account
19 pursuant to section 184A.4 shall be used by the council for
20 purposes of administering this chapter. After-payment-of
21 expenses, in accordance with section 184A.9 the

22 2. The council may use shall expend moneys transferred to
23 the council as provided in this chapter which are appropriated
24 and shall be used for the administration of this chapter, and
25 for payment of claims based upon obligations incurred in from
26 the account first for the payment of expenses for the
27 collection of assessments, and then for the payment of
28 expenses related to connecting a referendum as provided in
29 section 184A.12. The council shall expend remaining moneys
30 for market development on behalf of the turkey industry,
31 producer education, and the payment of refunds to producers as
32 provided in this chapter.

33 Sec. 9. Section 184A.9, Code 1999, is amended to read as
34 follows:

35 184A.9 AUDIT.

1 Moneys collected, deposited in the fund, and transferred to
2 the council, required to be deposited in the turkey council
3 account as provided in this chapter section 184A.4 shall be
4 subject to audit by the auditor of state. ~~The moneys shall be~~
5 ~~used by the council first for the payment of collection~~
6 ~~expenses and for payment of the costs and expenses arising in~~
7 ~~connection with conducting any required referendums, and~~
8 ~~secondly by the turkey marketing council for market~~
9 ~~development.~~

10 Sec. 10. Section 184A.12, Code 1999, is amended by
11 striking the section and inserting in lieu thereof the
12 following:

13 184A.12 REFERENDUM CONDUCTED TO CONTINUE THE COUNCIL AND
14 THE IMPOSITION OF THE ASSESSMENT.

15 1. The council shall call for a referendum to continue the
16 council established pursuant to section 184A.1A, and to
17 continue the assessment established pursuant to section
18 184A.2. The council shall call and conduct the referendum by
19 election as provided in this section. The department shall
20 oversee the conduct of the referendum. The referendum shall
21 be conducted in the fifth year following the referendum
22 establishing the council and assessment.

23 2. The following procedures shall apply to a referendum
24 conducted pursuant to this section:

25 a. The council shall publish a notice of the referendum
26 for a period of not less than five days in at least one
27 newspaper of general circulation in the state and for a
28 similar period in other newspapers as prescribed by the
29 council. The notice shall state the voting places, period of
30 time for voting, manner of voting, and other information
31 deemed necessary by the council. A referendum shall not be
32 commenced until five days after the last date of publication.

33 b. Upon signing a statement certifying to the council that
34 a producer is an eligible voter, the producer is entitled to
35 one vote in each referendum conducted pursuant to this

1 section. In order to be an eligible voter under this section,
 2 a producer must be a qualified producer who paid an assessment
 3 in the year in which the referendum is held. The council may
 4 conduct the referendum by mail, electronic means, or a general
 5 meeting of eligible voters. The council shall conduct the
 6 referendum and count and tabulate the ballots filed during the
 7 referendum within thirty days following the close of the
 8 referendum.

9 (1) If a majority of eligible voters who vote in the
 10 referendum approve the continuation of the council and the
 11 imposition of the assessment, the council and the imposition
 12 of the assessment shall continue as provided in this chapter.

13 (2) If a majority of eligible voters who vote in the
 14 referendum do not approve continuing the council and the
 15 imposition of the assessment, the department shall terminate
 16 the collection of the assessment on the first day of the year
 17 for which the referendum was to continue. The department
 18 shall terminate the activities of the council in an orderly
 19 manner as soon as practicable after the referendum. A
 20 subsequent referendum may be held as provided in section
 21 184A.1A. However, the subsequent referendum shall not be held
 22 within one hundred eighty days from the date of the last
 23 referendum.

24 Sec. 11. NEW SECTION. 184A.12A REFERENDUM CONDUCTED TO
 25 ABOLISH THE COUNCIL AND TERMINATE THE IMPOSITION OF THE
 26 ASSESSMENT.

27 1. A referendum may be called to abolish the council
 28 established pursuant to sections 184A.1A and 184A.1B, and to
 29 terminate the imposition of the assessment established
 30 pursuant to section 184A.2. The department shall call and
 31 conduct the referendum upon the department's receipt of a
 32 petition requesting the referendum. The petition must be
 33 signed by at least twenty eligible voters or fifty percent of
 34 all eligible voters, whichever is greater. In order to be an
 35 eligible voter under this section, a producer must be a

1 qualified producer who paid an assessment in the year in which
2 the referendum is held. The referendum shall be conducted by
3 election within sixty days following receipt of the petition.
4 The petitioners shall guarantee payment of the cost of the
5 referendum by providing evidence of financial security as
6 required by the department.

7 2. The following procedures shall apply to a referendum
8 conducted pursuant to this section:

9 a. The department shall publish a notice of the referendum
10 for a period of not less than five days in at least one
11 newspaper of general circulation in the state and for a
12 similar period in other newspapers as prescribed by the
13 department. The notice shall state the voting places, period
14 of time for voting, manner of voting, and other information
15 deemed necessary by the department. A referendum shall not be
16 commenced until five days after the last date of publication.

17 b. Upon signing a statement certifying to the department
18 that a producer is an eligible voter, the producer is entitled
19 to one vote in each referendum conducted pursuant to this
20 section. The department may conduct the referendum by mail,
21 electronic means, or a general meeting of eligible voters.
22 The department shall conduct the referendum and count and
23 tabulate the ballots filed during the referendum within thirty
24 days following the close of the referendum.

25 (1) If a majority of eligible voters who vote in the
26 referendum approve the continuation of the council and the
27 imposition of the assessment, the council and the imposition
28 of the assessment shall continue as provided in this chapter.

29 (2) If a majority of eligible voters who vote in the
30 referendum do not approve continuing the council and the
31 imposition of the assessment, the department shall terminate
32 the collection of the assessment on the first day of the year
33 for which the referendum was to continue. The department
34 shall terminate the activities of the council in an orderly
35 manner as soon as practicable after the referendum. A

1 subsequent referendum may be held as provided in section
2 184A.1A. However, the subsequent referendum shall not be held
3 within one hundred eighty days from the date of the last
4 referendum.

5 Sec. 12. Section 184A.14, Code 1999, is amended to read as
6 follows:

7 184A.14 EXAMINATION OF BOOKS.

8 Any person subject to the provisions of this chapter shall
9 furnish, on forms provided by the council, any information
10 ~~needed-to-enable~~ required by the council and-secretary to
11 effectuate the ~~polities~~ provisions of this chapter. ~~For-the~~
12 ~~purpose-of-ascertaining-the-correctness-of-any-report-made-to~~
13 ~~the-council-or-secretary-under-the-provisions-of-this~~ In order
14 to administer this chapter, the ~~secretary~~ council may examine
15 books, papers, records, copies of tax returns, accounts,
16 correspondence, contracts, or other documents and memoranda
17 that it deems relevant which are in the control of any a
18 person subject to this chapter and which are not otherwise
19 confidential as provided by law. The ~~secretary~~ council may
20 hold hearings, take testimony, administer oaths, subpoena
21 witnesses, and issue subpoenas duces tecum in connection with
22 the administration of this ~~chapter~~ section.

23 Sec. 13. Section 184A.15, Code 1999, is amended to read as
24 follows:

25 184A.15 MISDEMEANOR.

26 ~~It-is-a-simple-misdemeanor-for-any~~ A person to is guilty of
27 a simple misdemeanor for willfully ~~vioetate~~ violating any
28 provision of this chapter, or for ~~any-person-to~~ willfully
29 ~~render~~ rendering or ~~furnish~~ furnishing a false or fraudulent
30 report, statement, or record required by the council or
31 ~~secretary~~.

32 Sec. 14. Section 184A.17, Code 1999, is amended to read as
33 follows:

34 184A.17 REPORT.

35 The council shall prepare and submit a report summarizing

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

6 Sec. 15. Section 184A.18, Code 1999, is amended to read as
7 follows:

8 184A.18 NOT A STATE AGENCY.

9 The ~~Iowa-turkey-marketing~~ council shall is not be a state
10 agency.

11 Sec. 16. Section 184A.19, Code 1999, is amended to read as
12 follows:

13 184A.19 ~~DEFICIT-SPENDING-NOT-AUTHORIZED~~ PROHIBITED
14 ACTIVITIES.

15 ~~This chapter shall not be construed to authorize the Iowa~~
16 ~~turkey-marketing~~ The council to operate shall not do any of
17 the following:

18 1. Operate with a deficit or use deficit financing for
19 administration of this chapter.

20 2. Expend moneys from the account in a manner that is not
21 authorized pursuant to section 184A.6.

22 3. Become involved in supporting a political campaign or
23 issue, by making a contribution of moneys from the account,
24 either directly or indirectly, to any political party or
25 organization or in support of a political candidate for public
26 office. The council shall not expend the moneys to a
27 political candidate including but not limited to a member of
28 Congress or the general assembly for honorariums, speeches, or
29 for any other purposes above actual and necessary expenses.

30 Sec. 17. Sections 184A.5, 184A.8, 184A.11, 184A.13, and
31 184A.16, Code 1999, are repealed.

32 Sec. 18. EFFECT OF THIS ACT -- TRANSITION. This Act shall
33 not require a referendum as provided in section 184A.1A, as
34 amended by this Act. This Act does not modify when a
35 referendum must be conducted as provided in section 184A.12,

1 Code 1999. The Iowa turkey marketing council shall establish
2 the rate of assessment as provided in section 184A.2, as
3 amended by this Act.

4 Sec. 19. EFFECTIVE DATE. This Act, being deemed of
5 immediate importance, takes effect upon enactment.

6 EXPLANATION

7 This bill amends Code chapter 184A which provides for the
8 establishment of the Iowa turkey marketing council, the
9 imposition of an assessment (commonly referred to as a
10 checkoff) on turkeys sold to processors in this state, and the
11 use of those moneys.

12 Currently, turkey producers are subject to a checkoff based
13 on the weight of the bird. The rate is to be not more than
14 one cent for each turkey weighing less than 10 pounds live
15 weight and not more than two cents for each turkey weighing 10
16 or more pounds live weight. This bill provides that the
17 council may establish different rates within a three cent
18 maximum.

19 Currently, producers raising more than 200 turkeys are
20 subject to the assessment. The bill provides that producers
21 raising more than 5,000 turkeys are subject to the assessment.

22 Currently, turkey producers must vote in a referendum to
23 establish the council and checkoff. In addition, the
24 producers must continue the council and the checkoff every
25 five years by voting in a referendum. The bill uses
26 procedures for establishing the council and instituting the
27 checkoff and abolishing the council and terminating the
28 checkoff based on provisions in Code chapter 184 governing the
29 Iowa egg council. The bill retains the referendum required to
30 continue the council and assessment. The bill uses procedures
31 for conducting this referendum based on the procedures for
32 establishing or abolishing the council and assessment.

33 Currently, a producer may apply for a refund of checkoff
34 moneys. This bill eliminates the availability for refunds
35 except in cases where the turkeys were raised out of state and

1 processed in Iowa, according to the council's discretion.

2 Currently, the council is composed in part of five
3 representatives nominated by the Iowa turkey federation and
4 appointed by the department. This bill provides for direct
5 appointment to the council by the federation's board of
6 directors. The bill provides that members of the council
7 appointed to the council serve at the pleasure of the board.

8 The bill rewrites and reorganizes a number of provisions in
9 the chapter in order to enhance its readability, and conform
10 its provisions with practice or with chapters providing
11 checkoffs for other commodities. Many of the changes are
12 nonsubstantive. For example, the bill replaces the term "fee"
13 with the term "assessment". The bill eliminates language
14 regarding officers of the council. It moves and consolidates
15 provisions. The bill also includes a number of provisions
16 which are more substantive. The bill includes provisions
17 expressly setting forth the powers of the council, and
18 procedures for the conduct of its meetings. The bill forbids
19 the council from expending moneys in the account in a manner
20 inconsistent with the administration of the chapter, including
21 supporting political campaigns or candidates.

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5-2116/99 agreement
5-3/22/99 Amend/Do Pass
w/ 5-3111

MAR 9 1999
Place On Calendar

HOUSE FILE 570
BY COMMITTEE ON AGRICULTURE
(SUCCESSOR TO HSB 140)

Passed House, Date 3-16-99 (P.685) Passed Senate, Date 4/8/99 (P.1007)
Vote: Ayes 97 Nays 0 Vote: Ayes 45 Nays 1
Approved May 20, 1999
*(P.1517) Prepared 4-21-99
Vote 97-0*

A BILL FOR

1 An Act relating to the Iowa turkey marketing council, by
2 providing procedures for the administration of the council, a
3 producer assessment, refunds, and for the expenditure of
4 moneys by the council, and providing an effective date.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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HOUSE FILE 570

S-3111

1 Amend House File 570, as passed by the House, as
2 follows:
3 1. Page 6, line 33, by striking the word "may"
4 and inserting the following: "shall".

By COMMITTEE ON AGRICULTURE
E. THURMAN GASKILL, CHAIRPERSON

Adopted 4/8/99 (P.1006)

S-3111 FILED MARCH 22, 1999

HF 570

SENATE AMENDMENT TO HOUSE FILE 570

H-1519

1 Amend House File 570, as passed by the House, as
2 follows:
3 1. Page 6, line 33, by striking the word "may"
4 and inserting the following: "shall".

RECEIVED FROM THE SENATE

H-1519 FILED APRIL 8, 1999

House Concurred 4/21/99 (P. 1516)

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23

1 Section 1. Section 184A.1, Code 1999, is amended to read
2 as follows:

3 184A.1 DEFINITIONS.

4 As used in this chapter, unless the context indicates
5 otherwise:

6 1. "Account" means the turkey council account created
7 pursuant to section 184A.4.

8 2. "Council" means the "Iowa turkey marketing council"-or
9 "council"-means-the-council-administrating-promotion-and
10 research-funds established pursuant to sections 184A.1A and
11 184A.1B. The-council-shall-consist-of-the-following-seven
12 members:

13 a. ~~---The-Iowa-secretary-of-agriculture-or-the-secretary's~~
14 ~~representative.~~

15 b. ~~---The-chairperson-of-the-poultry-science-department-of~~
16 ~~the-Iowa-state-university-of-science-and-technology.~~

17 c. ~~---The-Iowa-turkey-federation-shall-nominate-ten~~
18 ~~representatives-of-the-Iowa-turkey-industry, and-the-secretary~~
19 ~~shall-appoint-five-representatives-from-the-ten-nominees-or~~
20 ~~other-representatives-of-the-Iowa-turkey-industry-of-the-sec-~~
21 ~~retary's-choice-as-the-representatives-of-the-turkey-industry~~
22 ~~on-the-council.~~

23 3. "Fund" means the Iowa turkey fund created pursuant to
24 section 184A.4.

25 4. "Integrator" means any person who is both a producer
26 and a processor.

27 2. 5. "Market development" means research and education
28 programs directed toward to provide better and more efficient
29 production, marketing, and utilization of turkey and turkey
30 products produced for resale, and methods and means,

31 including. The programs may include, but are not limited to,
32 supporting public relations and other, promotion techniques,
33 for and research efforts. The programs may provide for all of
34 the following:

35 a. The maintenance of present markets, for and the

1 development of new or larger domestic or foreign markets, for
2 the sale of turkeys, and for

3 b. The prevention, modification, or elimination of trade
4 barriers which obstruct the free flow of such agricultural
5 commodities to market commerce. Market development includes
6 providing promotion and research funds for Iowa's
7 participation

8 c. The education of consumers regarding the benefits of
9 purchasing and consuming turkey products and the role of
10 turkey producers and processors.

11 d. Participation in activities such as the and events
12 sponsored by the national turkey federation, the "eat more
13 turkey" campaign, and the national turkey federation research
14 fund and other activities as may be authorized by the council
15 which provide for research and promotion regarding the
16 production and marketing of turkeys and turkey products.

17 3. 6. "Processor" means any a person who purchases more
18 than one thousand turkeys for slaughter each year. The word
19 "processor" may include where applicable, A processor includes
20 an integrator, who is a person who both produces and processes
21 turkeys.

22 4. 7. "Producer" means any a person doing business
23 residing within this state or outside this state who does
24 business in this state and who grows raises more than two
25 hundred five thousand turkeys for slaughter each year. The
26 word "producer" may include where applicable, A producer
27 includes an integrator, who is a person who both produces and
28 processes turkeys.

29 5. 8. "Qualified financial institution" means a bank,
30 credit union, or savings and loan as defined in section 12C.1.

31 6. "Secretary" means a person employed by the Iowa turkey
32 marketing council to perform duties specified by this chapter
33 or the council.

34 7. "Treasurer" means the person appointed as treasurer by
35 the Iowa turkey marketing council from the membership of the

1 council:-

2 9. "Qualified producer" means a producer who resides
3 within this state.

4 8- 10. "Turkeys" "Turkey" means turkeys a turkey raised
5 for slaughter.

6 11. "Turkey product" means a product produced in whole or
7 in part from a turkey.

8 Sec. 2. NEW SECTION. 184A.1A REFERENDUM CONDUCTED TO
9 ESTABLISH AN IOWA TURKEY MARKETING COUNCIL AND IMPOSE AN
10 ASSESSMENT.

11 1. The department shall call and conduct a referendum upon
12 the department's receipt of a petition which is signed by at
13 least twenty eligible voters requesting a referendum to
14 determine whether to establish an Iowa turkey marketing
15 council as provided in section 184A.1B and impose an
16 assessment as provided in section 184A.2. In order to be an
17 eligible voter under this section, a petitioner must be a
18 qualified producer. The referendum shall be conducted by
19 election within sixty days following receipt of the petition.
20 The petitioners shall guarantee payment of the cost of the
21 referendum by providing evidence of financial security as
22 required by the department.

23 2. The department shall give notice of the referendum on
24 the question whether to establish a council and to impose an
25 assessment by publishing the notice for a period of not less
26 than five days in at least one newspaper of general
27 circulation in the state, and for a similar period in other
28 newspapers as prescribed by the department. The notice shall
29 state the voting places, period of time for voting, the manner
30 of voting, the amount of the assessment, and other information
31 deemed necessary by the department. A referendum shall not be
32 commenced until five days after the last date of publication.

33 3. a. Each eligible voter who signs a statement
34 certifying that the eligible voter is a qualified producer
35 shall be an eligible voter under this section. An eligible

1 voter is entitled to cast one vote in each referendum
2 conducted under this section. The department may conduct the
3 referendum by mail, electronic means, or a general meeting of
4 eligible voters.

5 b. At the close of the referendum, the department shall
6 count and tabulate the ballots cast.

7 (1) If a majority of eligible voters who vote in the
8 referendum approve establishing the council and imposing an
9 assessment, a council shall be established, and an assessment
10 shall be imposed commencing not more than sixty days following
11 the referendum as determined by the council. The council and
12 assessment shall continue for five years as provided in
13 section 184A.12.

14 (2) If a majority of eligible voters who vote in the
15 referendum do not approve establishing the council and
16 imposing the assessment, the council shall not be established
17 and an assessment shall not be imposed until another
18 referendum is held under this section and a majority of the
19 eligible voters voting approve establishing a council and
20 imposing the assessment. If a referendum should fail, another
21 referendum shall not be held within one hundred eighty days
22 from the date of the last referendum.

23 4. Within thirty days after approval at the referendum to
24 establish a council to impose an assessment, the department
25 shall organize the council as provided in section 184A.1B.

26 Sec. 3. NEW SECTION. 184A.1B TURKEY MARKETING COUNCIL --
27 COMPOSITION AND PROCEDURES.

28 1. The council shall consist of the following members:

29 a. The secretary of agriculture or the secretary's
30 designee who shall serve at the pleasure of the secretary.

31 b. Six persons appointed by the board of the Iowa turkey
32 federation. The appointees shall be knowledgeable about the
33 care and management of poultry. The board shall appoint and
34 replace the appointees by election as provided by the board.

35 An appointee shall serve on the council at the pleasure of the

1 board.

2 c. Any number of ex officio nonvoting members appointed by
3 the board of the Iowa turkey federation. The board shall
4 appoint and replace the appointees by election as provided by
5 the board. An appointee shall serve on the council at the
6 pleasure of the board.

7 2. The council shall elect a chairperson, and other
8 officers, as needed, from among its members. An officer shall
9 serve for a term as provided by the council, and may be
10 reelected to serve subsequent terms unless otherwise provided
11 by the council.

12 3. A majority of voting members of the council present
13 during a meeting shall constitute a quorum. A majority of the
14 voting members present during a meeting is necessary to carry
15 out the duties and exercise the powers of the council as
16 provided in this chapter, unless the council requires a
17 greater number.

18 4. The council shall meet on the call of the chairperson
19 or as otherwise provided by the council.

20 Sec. 4. NEW SECTION. 184A.1C POWERS OF THE COUNCIL.

21 The council may do all of the following:

22 1. Employ, manage, and discharge assistants and
23 professional counsel as necessary, prescribe their duties and
24 powers, and provide for their compensation.

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

28 3. Adopt rules necessary to administer the functions of
29 the council as provided in this chapter.

30 4. Enter into arrangements for the collection and deposit
31 of the assessment.

32 5. Require that any administrator, employee, or other
33 person occupying a position of trust under this chapter give
34 bond in the amount required by the council. The premiums for
35 bonds shall be part of the costs of collecting the assessment.

1 6. Receive money, including in the form of gifts, rents,
2 royalties, or license fees which shall be deposited in the
3 turkey council account as provided in section 184A.4.

4 Sec. 5. Section 184A.2, Code 1999, is amended to read as
5 follows:

6 184A.2 ~~FEE-IMPOSED----~~RATE ASSESSMENT.

7 1. If an assessment is approved by a majority of the
8 eligible voters voting at a referendum as provided in section
9 ~~184A.10~~ 184A.1A or 184A.12, there is hereby imposed a fee upon
10 each turkey delivered for processing in the state of Iowa all
11 of the following shall apply:

12 a. The assessment shall be imposed on each turkey
13 delivered for processing.

14 b. The council shall establish a rate of the fee imposed
15 assessment for each turkey delivered for processing. The
16 council may establish different rates based on attributes or
17 characteristics of turkeys. However, a rate shall not be more
18 than one cent for each turkey weighing less than ten pounds
19 five weight and not more than two three cents for each turkey
20 weighing ten or more pounds five weight, as established at the
21 discretion of the council delivered for processing.

22 c. The fee assessment shall be imposed on the producer and
23 collected at the time of delivery of a turkey to the
24 processing plant and processor. The assessment shall be
25 deducted by the processor at the time of delivery from the
26 price paid to the producer at the time of the sale to the
27 processor. A processor shall remit assessments to the council
28 on a monthly basis as provided by the council. The council
29 shall deposit the remitted assessments in the Iowa turkey fund
30 as provided in section 184A.4.

31 2. The council may enter into agreements with processors
32 from outside this state for the payment of the assessment.

33 3. The council may provide for a refund of an assessment
34 according to rules adopted by the council.

35 Sec. 6. Section 184A.3, Code 1999, is amended to read as

1 follows:

2 184A.3 INVOICES ASSESSMENT DOCUMENTATION.

3 ~~At the time of delivery to the processing plant, the A~~
4 processor receiving turkeys for slaughter shall do all of the
5 following:

6 1. At the time of payment to the producer, the processor
7 shall sign and submit a receipt to the producer which includes
8 the rate of assessment imposed and the amount of the
9 assessment for all turkeys delivered for processing.

10 2. Within a period established by rules adopted by the
11 council, the processor shall regularly sign and deliver submit
12 to the producer separate invoices for each purchase or such
13 council an invoice or other records which will required by the
14 council to expedite collection of the fee assessment. The
15 council may require that the processor submit a separate
16 invoice for each purchase. The invoices invoice shall be
17 legibly printed and shall not be altered. An invoice shall
18 show include all of the following:

19 ~~1-~~ a. The name and address of the producer and the seller,
20 if the seller's name is different from the producer.

21 ~~2-~~ b. The name and address of the processor.

22 ~~3-~~ c. The quantity number of turkeys sold.

23 ~~4-~~ d. The date of the delivery.

24 ~~Invoices shall be legibly written and shall not be altered.~~

25 Sec. 7. Section 184A.4, Code 1999, is amended by striking
26 the section and inserting in lieu thereof the following:

27 184A.4 ADMINISTRATION OF MONEYS.

28 1. The assessments collected by the council as provided in
29 section 184A.2 shall be deposited in the office of the
30 treasurer of state in a special fund known as the Iowa turkey
31 fund. The department of revenue and finance shall transfer
32 moneys from the fund to the council for deposit into the
33 turkey council account established by the council pursuant to
34 this section. The department shall transfer the moneys as
35 provided in a resolution adopted by the council. However, the

1 department is only required to transfer moneys once during
2 each day and only during hours when the offices of the state
3 are open.

4 2. The council shall establish a turkey council account in
5 a qualified financial institution. The council shall provide
6 for the deposit of all of the following into the account:

7 a. The assessment collected, deposited in the Iowa turkey
8 fund, and transferred to the council as provided in this
9 section.

10 b. Moneys, other than assessments, including moneys in the
11 form of gifts, rents, royalties, or license fees received by
12 the council pursuant to section 184A.1C.

13 Sec. 8. Section 184A.6, Code 1999, is amended to read as
14 follows:

15 184A.6 USE OF MONEYS----APPROPRIATION.

16 1. All moneys deposited in the turkey council account
17 pursuant to section 184A.4 shall be used by the council for
18 purposes of administering this chapter. After-payment-of
19 expenses, in accordance with section 184A.9 the

20 2. The council may use shall expend moneys transferred to
21 the council as provided in this chapter which are appropriated
22 and shall be used for the administration of this chapter, and
23 for payment of claims based upon obligations incurred in from
24 the account first for the payment of expenses for the
25 collection of assessments, and then for the payment of
26 expenses related to connecting a referendum as provided in
27 section 184A.12. The council shall expend remaining moneys
28 for market development on behalf of the turkey industry,
29 producer education, and the payment of refunds to producers as
30 provided in this chapter.

31 Sec. 9. Section 184A.9, Code 1999, is amended to read as
32 follows:

33 184A.9 AUDIT.

34 Moneys collected, deposited in the fund, and transferred to
35 the council, required to be deposited in the turkey council

1 account as provided in ~~this chapter~~ section 184A.4 shall be
2 subject to audit by the auditor of state. ~~The moneys shall be~~
3 ~~used by the council first for the payment of collection~~
4 ~~expenses and for payment of the costs and expenses arising in~~
5 ~~connection with conducting any required referendums, and~~
6 ~~secondly by the turkey marketing council for market~~
7 ~~development.~~

8 Sec. 10. Section 184A.12, Code 1999, is amended by
9 striking the section and inserting in lieu thereof the
10 following:

11 184A.12 REFERENDUM CONDUCTED TO CONTINUE THE COUNCIL AND
12 THE IMPOSITION OF THE ASSESSMENT.

13 1. The council shall call for a referendum to continue the
14 council established pursuant to section 184A.1A, and to
15 continue the assessment established pursuant to section
16 184A.2. The council shall call and conduct the referendum by
17 election as provided in this section. The department shall
18 oversee the conduct of the referendum. The referendum shall
19 be conducted in the fifth year following the referendum
20 establishing the council and assessment.

21 2. The following procedures shall apply to a referendum
22 conducted pursuant to this section:

23 a. The council shall publish a notice of the referendum
24 for a period of not less than five days in at least one
25 newspaper of general circulation in the state and for a
26 similar period in other newspapers as prescribed by the
27 council. The notice shall state the voting places, period of
28 time for voting, manner of voting, and other information
29 deemed necessary by the council. A referendum shall not be
30 commenced until five days after the last date of publication.

31 b. Upon signing a statement certifying to the council that
32 a producer is an eligible voter, the producer is entitled to
33 one vote in each referendum conducted pursuant to this
34 section. In order to be an eligible voter under this section,
35 a producer must be a qualified producer who paid an assessment

1 in the year in which the referendum is held. The council may
2 conduct the referendum by mail, electronic means, or a general
3 meeting of eligible voters. The council shall conduct the
4 referendum and count and tabulate the ballots filed during the
5 referendum within thirty days following the close of the
6 referendum.

7 (1) If a majority of eligible voters who vote in the
8 referendum approve the continuation of the council and the
9 imposition of the assessment, the council and the imposition
10 of the assessment shall continue as provided in this chapter.

11 (2) If a majority of eligible voters who vote in the
12 referendum do not approve continuing the council and the
13 imposition of the assessment, the department shall terminate
14 the collection of the assessment on the first day of the year
15 for which the referendum was to continue. The department
16 shall terminate the activities of the council in an orderly
17 manner as soon as practicable after the referendum. A
18 subsequent referendum may be held as provided in section
19 184A.1A. However, the subsequent referendum shall not be held
20 within one hundred eighty days from the date of the last
21 referendum.

22 Sec. 11. NEW SECTION. 184A.12A REFERENDUM CONDUCTED TO
23 ABOLISH THE COUNCIL AND TERMINATE THE IMPOSITION OF THE
24 ASSESSMENT.

25 1. A referendum may be called to abolish the council
26 established pursuant to sections 184A.1A and 184A.1B, and to
27 terminate the imposition of the assessment established
28 pursuant to section 184A.2. The department shall call and
29 conduct the referendum upon the department's receipt of a
30 petition requesting the referendum. The petition must be
31 signed by at least twenty eligible voters or fifty percent of
32 all eligible voters, whichever is greater. In order to be an
33 eligible voter under this section, a producer must be a
34 qualified producer who paid an assessment in the year in which
35 the referendum is held. The referendum shall be conducted by

1 election within sixty days following receipt of the petition.
2 The petitioners shall guarantee payment of the cost of the
3 referendum by providing evidence of financial security as
4 required by the department.

5 2. The following procedures shall apply to a referendum
6 conducted pursuant to this section:

7 a. The department shall publish a notice of the referendum
8 for a period of not less than five days in at least one
9 newspaper of general circulation in the state and for a
10 similar period in other newspapers as prescribed by the
11 department. The notice shall state the voting places, period
12 of time for voting, manner of voting, and other information
13 deemed necessary by the department. A referendum shall not be
14 commenced until five days after the last date of publication.

15 b. Upon signing a statement certifying to the department
16 that a producer is an eligible voter, the producer is entitled
17 to one vote in each referendum conducted pursuant to this
18 section. The department may conduct the referendum by mail,
19 electronic means, or a general meeting of eligible voters.
20 The department shall conduct the referendum and count and
21 tabulate the ballots filed during the referendum within thirty
22 days following the close of the referendum.

23 (1) If a majority of eligible voters who vote in the
24 referendum approve the continuation of the council and the
25 imposition of the assessment, the council and the imposition
26 of the assessment shall continue as provided in this chapter.

27 (2) If a majority of eligible voters who vote in the
28 referendum do not approve continuing the council and the
29 imposition of the assessment, the department shall terminate
30 the collection of the assessment on the first day of the year
31 for which the referendum was to continue. The department
32 shall terminate the activities of the council in an orderly
33 manner as soon as practicable after the referendum. A
34 subsequent referendum may be held as provided in section
35 184A.1A. However, the subsequent referendum shall not be held

1 within one hundred eighty days from the date of the last
2 referendum.

3 Sec. 12. Section 184A.14, Code 1999, is amended to read as
4 follows:

5 184A.14 EXAMINATION OF BOOKS.

6 Any person subject to the provisions of this chapter shall
7 furnish, on forms provided by the council, ~~any information~~
8 ~~needed-to-enable~~ required by the council ~~and-secretary~~ to
9 effectuate the ~~policies~~ provisions of this chapter. ~~For-the~~
10 ~~purpose-of-ascertaining-the-correctness-of-any-report-made-to~~
11 ~~the-council-or-secretary-under-the-provisions-of-this~~ In order
12 to administer this chapter, the ~~secretary~~ council may examine
13 books, papers, records, copies of tax returns, accounts,
14 correspondence, contracts, or other documents and memoranda
15 that it deems relevant which are in the control of any a
16 person subject to this chapter and which are not otherwise
17 confidential as provided by law. The ~~secretary~~ council may
18 hold hearings, take testimony, administer oaths, subpoena
19 witnesses, and issue subpoenas duces tecum in connection with
20 the administration of this ~~chapter~~ section.

21 Sec. 13. Section 184A.15, Code 1999, is amended to read as
22 follows:

23 184A.15 MISDEMEANOR.

24 ~~It-is-a-simple-misdemeanor-for-any~~ A person to is guilty of
25 a simple misdemeanor for willfully violate violating any
26 provision of this chapter, or for ~~any-person-to~~ willfully
27 ~~render~~ rendering or ~~furnish~~ furnishing a false or fraudulent
28 report, statement, or record required by the council ~~or~~
29 ~~secretary~~.

30 Sec. 14. Section 184A.17, Code 1999, is amended to read as
31 follows:

32 184A.17 REPORT.

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

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

4 Sec. 15. Section 184A.18, Code 1999, is amended to read as
5 follows:

6 184A.18 NOT A STATE AGENCY.

7 ~~The Iowa-turkey-marketing council shall~~ is not be a state
8 agency.

9 Sec. 16. Section 184A.19, Code 1999, is amended to read as
10 follows:

11 184A.19 ~~DEFICIT-SPENDING-NOT-AUTHORIZED~~ PROHIBITED
12 ACTIVITIES.

13 ~~This chapter shall not be construed to authorize the Iowa~~
14 ~~turkey-marketing~~ The council to operate shall not do any of
15 the following:

16 1. Operate with a deficit or use deficit financing for
17 administration of this chapter.

18 2. Expend moneys from the account in a manner that is not
19 authorized pursuant to section 184A.6.

20 3. Become involved in supporting a political campaign or
21 issue, by making a contribution of moneys from the account,
22 either directly or indirectly, to any political party or
23 organization or in support of a political candidate for public
24 office. The council shall not expend the moneys to a
25 political candidate including but not limited to a member of
26 congress or the general assembly for honorariums, speeches, or
27 for any other purposes above actual and necessary expenses.

28 Sec. 17. Sections 184A.5, 184A.8, 184A.11, 184A.13, and
29 184A.16, Code 1999, are repealed.

30 Sec. 18. EFFECT OF THIS ACT -- TRANSITION. This Act shall
31 not require a referendum as provided in section 184A.1A, as
32 amended by this Act. This Act does not modify when a
33 referendum must be conducted as provided in section 184A.12,
34 Code 1999. The Iowa turkey marketing council shall establish
35 the rate of assessment as provided in section 184A.2, as

1 amended by this Act.

2 Sec. 19. EFFECTIVE DATE. This Act, being deemed of
3 immediate importance, takes effect upon enactment.

4

EXPLANATION

5 This bill amends Code chapter 184A which provides for the
6 establishment of the Iowa turkey marketing council, the
7 imposition of an assessment (commonly referred to as a
8 checkoff) on turkeys sold to processors in this state, and the
9 use of those moneys.

10 Currently, turkey producers are subject to a checkoff based
11 on the weight of the bird. The rate is to be not more than
12 one cent for each turkey weighing less than 10 pounds live
13 weight and not more than two cents for each turkey weighing 10
14 or more pounds live weight. This bill provides that the
15 council may establish different rates within a three cent
16 maximum.

17 Currently, producers raising more than 200 turkeys are
18 subject to the assessment. The bill provides that producers
19 raising more than 5,000 turkeys are subject to the assessment.

20 Currently, turkey producers must vote in a referendum to
21 establish the council and checkoff. In addition, the
22 producers must continue the council and the checkoff every
23 five years by voting in a referendum. The bill uses
24 procedures for establishing the council and instituting the
25 checkoff and abolishing the council and terminating the
26 checkoff based on provisions in Code chapter 184 governing the
27 Iowa egg council. The bill retains the referendum required to
28 continue the council and assessment. The bill uses procedures
29 for conducting this referendum based on the procedures for
30 establishing or abolishing the council and assessment.

31 Currently, a producer may apply for a refund of checkoff
32 moneys. This bill provides that the council may provide for a
33 refund according to rules adopted by the council.

34 Currently, the council is composed in part of five
35 representatives nominated by the Iowa turkey federation and

1 appointed by the department. This bill provides for direct
2 appointment to the council by the federation's board of
3 directors. The bill provides that members of the council
4 appointed to the council serve at the pleasure of the board.

5 The bill rewrites and reorganizes a number of provisions in
6 the chapter in order to enhance its readability, and conform
7 its provisions with practice or with chapters providing
8 checkoffs for other commodities. Many of the changes are
9 nonsubstantive. For example, the bill replaces the term "fee"
10 with the term "assessment". The bill eliminates language
11 regarding officers of the council. It moves and consolidates
12 provisions. The bill also includes a number of provisions
13 which are more substantive. The bill includes provisions
14 expressly setting forth the powers of the council, and
15 procedures for the conduct of its meetings. The bill forbids
16 the council from expending moneys in the account in a manner
17 inconsistent with the administration of the chapter, including
18 supporting political campaigns or candidates.

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AN ACT

RELATING TO THE IOWA TURKEY MARKETING COUNCIL, BY PROVIDING PROCEDURES FOR THE ADMINISTRATION OF THE COUNCIL, A PRODUCER ASSESSMENT, REFUNDS, AND FOR THE EXPENDITURE OF MONEYS BY THE COUNCIL, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 184A.1, Code 1999, is amended to read as follows:

184A.1 DEFINITIONS.

As used in this chapter, unless the context indicates otherwise:

1. "Account" means the turkey council account created pursuant to section 184A.4.
2. "Council" means the "Iowa turkey marketing council" or "council" means the council administering promotion and research funds established pursuant to sections 184A.1A and 184A.1B. The council shall consist of the following seven members:
 - a. The Iowa secretary of agriculture or the secretary's representative;

b. The chairperson of the poultry science department of the Iowa state university of science and technology;

c. The Iowa turkey federation shall nominate ten representatives of the Iowa turkey industry, and the secretary shall appoint five representatives from the ten nominees or other representatives of the Iowa turkey industry of the secretary's choice as the representatives of the turkey industry on the council;

3. "Fund" means the Iowa turkey fund created pursuant to section 184A.4.

4. "Integrator" means any person who is both a producer and a processor.

5. "Market development" means research and education programs directed toward to provide better and more efficient production, marketing, and utilization of turkey and turkey products produced for resale, and methods and means, including. The programs may include, but are not limited to, supporting public relations and other, promotion techniques, for and research efforts. The programs may provide for all of the following:

a. The maintenance of present markets, for and the development of new or larger domestic or foreign markets, for the sale of turkeys, and for,

b. The prevention, modification, or elimination of trade barriers which obstruct the free flow of such agricultural commodities to market commerce. Market development includes providing promotion and research funds for Iowa's participation

c. The education of consumers regarding the benefits of purchasing and consuming turkey products and the role of turkey producers and processors.

d. Participation in activities such as the and events sponsored by the national turkey federation, the "eat more turkey" campaign, and the national turkey federation research fund and other activities as may be authorized by the council which provide for research and promotion regarding the production and marketing of turkeys and turkey products.

3- 6. "Processor" means any a person who purchases more than one thousand turkeys for slaughter each year. ~~The word "processor" may include where applicable, A processor includes an integrator, who is a person who both produces and processes turkeys.~~

4- 7. "Producer" means any a person doing business residing within this state or outside this state who does business in this state and who grows raises more than two hundred five thousand turkeys for slaughter each year. ~~The word "producer" may include where applicable, A producer includes an integrator, who is a person who both produces and processes turkeys.~~

5- 8. "Qualified financial institution" means a bank, credit union, or savings and loan as defined in section 12C.1.

6- ~~"Secretary" means a person employed by the Iowa turkey marketing council to perform duties specified by this chapter or the council.~~

7- ~~"Treasurer" means the person appointed as treasurer by the Iowa turkey marketing council from the membership of the council.~~

9. "Qualified producer" means a producer who resides within this state.

8- 10. "Turkeys" "Turkey" means turkeys a turkey raised for slaughter.

11. "Turkey product" means a product produced in whole or in part from a turkey.

Sec. 2. NEW SECTION. 184A.1A REFERENDUM CONDUCTED TO ESTABLISH AN IOWA TURKEY MARKETING COUNCIL AND IMPOSE AN ASSESSMENT.

1. The department shall call and conduct a referendum upon the department's receipt of a petition which is signed by at least twenty eligible voters requesting a referendum to determine whether to establish an Iowa turkey marketing council as provided in section 184A.1B and impose an assessment as provided in section 184A.2. In order to be an eligible voter under this section, a petitioner must be a qualified producer. The referendum shall be conducted by

election within sixty days following receipt of the petition. The petitioners shall guarantee payment of the cost of the referendum by providing evidence of financial security as required by the department.

2. The department shall give notice of the referendum on the question whether to establish a council and to impose an assessment by publishing the notice for a period of not less than five days in at least one newspaper of general circulation in the state, and for a similar period in other newspapers as prescribed by the department. The notice shall state the voting places, period of time for voting, the manner of voting, the amount of the assessment, and other information deemed necessary by the department. A referendum shall not be commenced until five days after the last date of publication.

3. a. Each eligible voter who signs a statement certifying that the eligible voter is a qualified producer shall be an eligible voter under this section. An eligible voter is entitled to cast one vote in each referendum conducted under this section. The department may conduct the referendum by mail, electronic means, or a general meeting of eligible voters.

b. At the close of the referendum, the department shall count and tabulate the ballots cast.

(1) If a majority of eligible voters who vote in the referendum approve establishing the council and imposing an assessment, a council shall be established, and an assessment shall be imposed commencing not more than sixty days following the referendum as determined by the council. The council and assessment shall continue for five years as provided in section 184A.12.

(2) If a majority of eligible voters who vote in the referendum do not approve establishing the council and imposing the assessment, the council shall not be established and an assessment shall not be imposed until another referendum is held under this section and a majority of the eligible voters voting approve establishing a council and imposing the assessment. If a referendum should fail, another

referendum shall not be held within one hundred eighty days from the date of the last referendum.

4. Within thirty days after approval at the referendum to establish a council to impose an assessment, the department shall organize the council as provided in section 184A.1B.

Sec. 3. NEW SECTION. 184A.1B TURKEY MARKETING COUNCIL -- COMPOSITION AND PROCEDURES.

1. The council shall consist of the following members:

- a. The secretary of agriculture or the secretary's designee who shall serve at the pleasure of the secretary.
- b. Six persons appointed by the board of the Iowa turkey federation. The appointees shall be knowledgeable about the care and management of poultry. The board shall appoint and replace the appointees by election as provided by the board. An appointee shall serve on the council at the pleasure of the board.

c. Any number of ex officio nonvoting members appointed by the board of the Iowa turkey federation. The board shall appoint and replace the appointees by election as provided by the board. An appointee shall serve on the council at the pleasure of the board.

2. The council shall elect a chairperson, and other officers, as needed, from among its members. An officer shall serve for a term as provided by the council, and may be reelected to serve subsequent terms unless otherwise provided by the council.

3. A majority of voting members of the council present during a meeting shall constitute a quorum. A majority of the voting members present during a meeting is necessary to carry out the duties and exercise the powers of the council as provided in this chapter, unless the council requires a greater number.

4. The council shall meet on the call of the chairperson or as otherwise provided by the council.

Sec. 4. NEW SECTION. 184A.1C POWERS OF THE COUNCIL.

The council may do all of the following:

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

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

3. Adopt rules necessary to administer the functions of the council as provided in this chapter.

4. Enter into arrangements for the collection and deposit of the assessment.

5. Require that any administrator, employee, or other person occupying a position of trust under this chapter give bond in the amount required by the council. The premiums for bonds shall be part of the costs of collecting the assessment.

6. Receive money, including in the form of gifts, rents, royalties, or license fees which shall be deposited in the turkey council account as provided in section 184A.4.

Sec. 5. Section 184A.2, Code 1999, is amended to read as follows:

184A.2 FEE-IMPOSED----RATE ASSESSMENT.

1. If an assessment is approved by a majority of the eligible voters voting at a referendum as provided in section 184A.10 184A.1A or 184A.12, there is hereby imposed a fee upon each turkey delivered for processing in the state of Iowa all of the following shall apply:

a. The assessment shall be imposed on each turkey delivered for processing.

b. The council shall establish a rate of the fee imposed assessment for each turkey delivered for processing. The council may establish different rates based on attributes or characteristics of turkeys. However, a rate shall not be more than one-cent-for-each-turkey-weighing-less-than-ten-pounds five-weight-and-not-more-than-two three cents for each turkey weighing-ten-or-more-pounds-five-weight-as-established-at-the discretion-of-the-council delivered for processing.

c. The fee assessment shall be imposed on the producer and collected at the time of delivery of a turkey to the

~~processing plant and processor.~~ The assessment shall be deducted by the processor at the time of delivery from the price paid to the producer at the time of the sale to the processor. A processor shall remit assessments to the council on a monthly basis as provided by the council. The council shall deposit the remitted assessments in the Iowa turkey fund as provided in section 184A.4.

2. The council may enter into agreements with processors from outside this state for the payment of the assessment.

3. The council shall provide for a refund of an assessment according to rules adopted by the council.

Sec. 6. Section 184A.3, Code 1999, is amended to read as follows:

184A.3 INVOICES ASSESSMENT DOCUMENTATION.

~~At the time of delivery to the processing plant, the A~~ processor receiving turkeys for slaughter shall do all of the following:

1. At the time of payment to the producer, the processor shall sign and submit a receipt to the producer which includes the rate of assessment imposed and the amount of the assessment for all turkeys delivered for processing.

2. Within a period established by rules adopted by the council, the processor shall regularly sign and deliver submit to the producer separate invoices for each purchase or such council an invoice or other records which will be required by the council to expedite collection of the fee assessment. The council may require that the processor submit a separate invoice for each purchase. The invoice shall be legibly printed and shall not be altered. An invoice shall show include all of the following:

1- a. The name and address of the producer and the seller, if the seller's name is different from the producer.

2- b. The name and address of the processor.

3- c. The quantity number of turkeys sold.

4- d. The date of the delivery.

~~invoices shall be legibly written and shall not be altered.~~

Sec. 7. Section 184A.4, Code 1999, is amended by striking the section and inserting in lieu thereof the following:

184A.4 ADMINISTRATION OF MONEYS.

1. The assessments collected by the council as provided in section 184A.2 shall be deposited in the office of the treasurer of state in a special fund known as the Iowa turkey fund. The department of revenue and finance shall transfer moneys from the fund to the council for deposit into the turkey council account established by the council pursuant to this section. 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.

2. The council shall establish a turkey council account in a qualified financial institution. The council shall provide for the deposit of all of the following into the account:

a. The assessment collected, deposited in the Iowa turkey fund, and transferred to the council as provided in this section.

b. Moneys, other than assessments, including moneys in the form of gifts, rents, royalties, or license fees received by the council pursuant to section 184A.1C.

Sec. 8. Section 184A.6, Code 1999, is amended to read as follows:

184A.6 USE OF MONEYS---APPROPRIATION.

1. All moneys deposited in the turkey council account pursuant to section 184A.4 shall be used by the council for purposes of administering this chapter. After payment of expenses, in accordance with section 184A.9 the

2. The council may use shall expend 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 from the account first for the payment of expenses for the collection of assessments, and then for the payment of expenses related to connecting a referendum as provided in

section 184A.12. The council shall expend remaining moneys for market development on-behalf-of-the-turkey-industry, producer education, and the payment of refunds to producers as provided in this chapter.

Sec. 9. Section 184A.9, Code 1999, is amended to read as follows:

184A.9 AUDIT.

~~Moneys collected, deposited in the fund, and transferred to the council, required to be deposited in the turkey council account as provided in this chapter section 184A.4 shall be subject to audit by the auditor of state. 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. 10. Section 184A.12, Code 1999, is amended by striking the section and inserting in lieu thereof the following:

184A.12 REFERENDUM CONDUCTED TO CONTINUE THE COUNCIL AND THE IMPOSITION OF THE ASSESSMENT.

1. The council shall call for a referendum to continue the council established pursuant to section 184A.1A, and to continue the assessment established pursuant to section 184A.2. The council shall call and conduct the referendum by election as provided in this section. The department shall oversee the conduct of the referendum. The referendum shall be conducted in the fifth year following the referendum establishing the council and assessment.

2. The following procedures shall apply to a referendum conducted pursuant to this section:

a. The council shall publish a notice of the referendum for a period of not less than five days in at least one newspaper of general circulation in the state and for a similar period in other newspapers as prescribed by the council. The notice shall state the voting places, period of time for voting, manner of voting, and other information

deemed necessary by the council. A referendum shall not be commenced until five days after the last date of publication.

b. Upon signing a statement certifying to the council that a producer is an eligible voter, the producer is entitled to one vote in each referendum conducted pursuant to this section. In order to be an eligible voter under this section, a producer must be a qualified producer who paid an assessment in the year in which the referendum is held. The council may conduct the referendum by mail, electronic means, or a general meeting of eligible voters. The council shall conduct the referendum and count and tabulate the ballots filed during the referendum within thirty days following the close of the referendum.

(1) If a majority of eligible voters who vote in the referendum approve the continuation of the council and the imposition of the assessment, the council and the imposition of the assessment shall continue as provided in this chapter.

(2) If a majority of eligible voters who vote in the referendum do not approve continuing the council and the imposition of the assessment, the department shall terminate the collection of the assessment on the first day of the year for which the referendum was to continue. The department shall terminate the activities of the council in an orderly manner as soon as practicable after the referendum. A subsequent referendum may be held as provided in section 184A.1A. However, the subsequent referendum shall not be held within one hundred eighty days from the date of the last referendum.

Sec. 11. NEW SECTION. 184A.12A REFERENDUM CONDUCTED TO ABOLISH THE COUNCIL AND TERMINATE THE IMPOSITION OF THE ASSESSMENT.

1. A referendum may be called to abolish the council established pursuant to sections 184A.1A and 184A.1B, and to terminate the imposition of the assessment established pursuant to section 184A.2. The department shall call and conduct the referendum upon the department's receipt of a petition requesting the referendum. The petition must be

signed by at least twenty eligible voters or fifty percent of all eligible voters, whichever is greater. In order to be an eligible voter under this section, a producer must be a qualified producer who paid an assessment in the year in which the referendum is held. The referendum shall be conducted by election within sixty days following receipt of the petition. The petitioners shall guarantee payment of the cost of the referendum by providing evidence of financial security as required by the department.

2. The following procedures shall apply to a referendum conducted pursuant to this section:

a. The department shall publish a notice of the referendum for a period of not less than five days in at least one newspaper of general circulation in the state and for a similar period in other newspapers as prescribed by the department. The notice shall state the voting places, period of time for voting, manner of voting, and other information deemed necessary by the department. A referendum shall not be commenced until five days after the last date of publication.

b. Upon signing a statement certifying to the department that a producer is an eligible voter, the producer is entitled to one vote in each referendum conducted pursuant to this section. The department may conduct the referendum by mail, electronic means, or a general meeting of eligible voters. The department shall conduct the referendum and count and tabulate the ballots filed during the referendum within thirty days following the close of the referendum.

(1) If a majority of eligible voters who vote in the referendum approve the continuation of the council and the imposition of the assessment, the council and the imposition of the assessment shall continue as provided in this chapter.

(2) If a majority of eligible voters who vote in the referendum do not approve continuing the council and the imposition of the assessment, the department shall terminate the collection of the assessment on the first day of the year for which the referendum was to continue. The department shall terminate the activities of the council in an orderly

manner as soon as practicable after the referendum. A subsequent referendum may be held as provided in section 184A.1A. However, the subsequent referendum shall not be held within one hundred eighty days from the date of the last referendum.

Sec. 12. Section 184A.14, Code 1999, is amended to read as follows:

184A.14 EXAMINATION OF BOOKS.

Any person subject to the provisions of this chapter shall furnish, on forms provided by the council, ~~any information needed-to-enable~~ required by the council and ~~secretary to effectuate the policies provisions~~ of this chapter. ~~For the purpose of ascertaining the correctness of any report made to the council or secretary under the provisions of this~~ In order to administer this chapter, the secretary council may examine books, papers, records, copies of tax returns, accounts, correspondence, contracts, or other documents and memoranda that it deems relevant which are in the control of any a person subject to this chapter and which are not otherwise confidential as provided by law. The secretary council may hold hearings, take testimony, administer oaths, subpoena witnesses, and issue subpoenas duces tecum in connection with the administration of this chapter section.

Sec. 13. Section 184A.15, Code 1999, is amended to read as follows:

184A.15 MISDEMEANOR.

~~It is a simple misdemeanor for any~~ A person to is guilty of a simple misdemeanor for willfully ~~violate~~ violating any provision of this chapter, or for ~~any person to~~ willfully ~~render~~ rendering or ~~furnish~~ furnishing a false or fraudulent report, statement, or record required by the council or secretary.

Sec. 14. Section 184A.17, Code 1999, is amended to read as follows:

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 assessments collected and expended under the provisions of this chapter.

Sec. 15. Section 184A.18, Code 1999, is amended to read as follows:

184A.18 NOT A STATE AGENCY.

The ~~Iowa turkey marketing council shall~~ is not be a state agency.

Sec. 16. Section 184A.19, Code 1999, is amended to read as follows:

184A.19 ~~DEFICIT-SPENDING-NOT-AUTHORIZED~~ PROHIBITED ACTIVITIES.

~~This chapter shall not be construed to authorize the Iowa turkey marketing~~ The council to operate shall not do any of the following:

1. Operate with a deficit or use deficit financing for administration of this chapter.

2. Expend moneys from the account in a manner that is not authorized pursuant to section 184A.6.

3. Become involved in supporting a political campaign or issue, by making a contribution of moneys from the account, either directly or indirectly, to any political party or organization or in support of a political candidate for public office. The council shall not expend the moneys to a political candidate including but not limited to a member of congress or the general assembly for honorariums, speeches, or for any other purposes above actual and necessary expenses.

Sec. 17. Sections 184A.5, 184A.8, 184A.11, 184A.13, and 184A.15, Code 1999, are repealed.

Sec. 18. EFFECT OF THIS ACT -- TRANSITION. This Act shall not require a referendum as provided in section 184A.1A, as amended by this Act. This Act does not modify when a referendum must be conducted as provided in section 184A.12, Code 1999. The Iowa turkey marketing council shall establish the rate of assessment as provided in section 184A.2, as amended by this Act.

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

BRENT SIEGRIST

Speaker of the House

MARY E. KRAMER

President of the Senate

I hereby certify that this bill originated in the House and is known as House File 570, Seventy-eighth General Assembly.

ELIZABETH ISAACSON

Chief Clerk of the House

Approved May 20, 1999

THOMAS J. VILSACK

Governor